DIGITAL GOLD (DGD)

Wealth-Preserving Money

White Paper

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Based on the framework established in:

Cryptocurrency Analysis (Volume 1)

The Intelligent Investor (Crypto Edition) (Volume 2)

Digital Gold (DGD) is Perfect Money (Volume 3)

and *The CoinFund Thesis* (Volume 4)

of the Gotts Cryptocurrency Corpus

If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them.

— Henry David Thoreau, *Walden*

Abstract

Persistent instability of monetary systems, marked by recurrent inflation and the erosion of purchasing power, stems from the monopolistic control governments exercise over the issuance of currency. Federal Reserve Note value has lost more than ninety-six percent of its purchasing power since 1913, and the two percent annual inflation that the Federal Reserve targets as official policy guarantees that a worker who saves faithfully throughout a forty-year career will find that half of their lifetime savings has been consumed by deliberate monetary debasement.

This paper proposes Digital Gold (DGD), a Layer-1 cryptocurrency conceived as a remedy to these defects through the discipline of competition among private currencies, as advocated by Friedrich Hayek in *The Denationalisation of Money* (1976). DGD integrates a hybrid proof-of-work and proof-of-stake consensus mechanism, refined by Segregated Witness for enhanced efficiency, with a Proof-of-Participation (PoP) distribution model that allocates coins equitably across 1,000 levels of network growth rather than concentrating them among early insiders or institutional whales.

DGD's valuation is determined by the Crypto Fair Value (CFV) formula, the fundamental valuation framework documented in Volume 1 of the Gotts Cryptocurrency Corpus. CFV measurement of any cryptocurrency's intrinsic worth operates against the Digital Gold Standard Benchmark (DGSB), a fixed reference point derived from Bitcoin's measurable network fundamentals at the moment Bitcoin reached approximately $100,000 per coin in December 2024, when the world's most powerful financial institutions collectively valued those fundamentals at $1.983 trillion. Four metrics receive specific weights in the formula: Adoption (70%), Annual Transactions (10%), Annual Transaction Value (10%), and Active Developers (10%).

DGD's 1,000-level structure distributes coins as the network grows from 1,000 accounts to a target of 80 million, with the price advancing from $3.40 to $100,000 per coin. At every level, each participant receives an equal share and no more, with unclaimed coins returning to the Foundation's treasury. This is not a speculative instrument. It is an attempt to build a currency that satisfies the six pillars of perfect money identified by the Austrian economists: Scarcity, Stable Pricing, Free Adoption, Decentralized Governance, Freedom to Transact, and Adequate Circulation.

This second edition of the white paper develops one structural commitment with greater clarity than the first edition did. For a cryptocurrency to function as perfect money in the sense the Austrian tradition meant, the cryptocurrency must actually circulate as money. It must flow not merely from consumer to merchant, but from merchant to wholesaler, from wholesaler to manufacturer, from manufacturer to raw-material supplier, and from raw-material supplier to the workers and landowners

whose labor and resources made the product possible. A coin that the merchant receives and immediately converts to dollars or to dollar-backed stablecoins has not become money. It has remained a payment instrument that the merchant tolerates while denominating actual obligations in the established currency. Only when a coin circulates across the entire supply chain has it become money in the operational sense the framework treats as the measure of monetary function.

DGD is designed to achieve this circulation. The single-price architecture, enforced through cooperating-venue exclusivity agreements, eliminates the bid/ask volatility that would force any reasonable merchant to convert immediately to dollars. The Foundation's fourth participation pathway, the supply-chain onboarding pathway introduced in this second edition, rewards the patient multi-year work of penetrating real-economy supply chains link by link. The combination produces the operational conditions under which DGD can become money in commerce rather than remaining a payment instrument with monetary aspirations.

This is the structural difference between DGD and every other cryptocurrency. Every coin in the broader category has a bid/ask price that fluctuates against the dollar. A merchant accepting any such coin faces an immediate decision: hold the coin and accept the volatility, or convert immediately to dollars and avoid the volatility. The rational merchant converts. The coin does not circulate; it transacts once and then exits the system through the merchant's conversion. DGD, by eliminating bid/ask trading, eliminates the volatility that forces the conversion. A merchant accepting DGD holds DGD at a stable and predictable price, and can pay suppliers in DGD without the conversion cost. The supplier holds DGD on the same terms and can pay their own suppliers in DGD. The chain continues link by link until DGD reaches the raw-material owner, who can use DGD to satisfy obligations in their own economic context. When the chain runs in full, DGD has become money.

DGD's additional structural innovations include a decentralization architecture engineered for tens of millions of nodes (Section 7), the cooperating-venue exclusivity model that supports the single-price commitment (Section 8), the supply-chain circulation argument that distinguishes DGD from every other cryptocurrency (Section 9), and a legal structure designed from inception to fall outside the investment-contract definition under the Howey test (Section 11).

1. Introduction

Cryptocurrency markets of 2026 bear a striking resemblance to the stock market of the 1920s. Both are characterized by enormous speculative interest in a new asset class. Both are driven by narratives, emotions, and social contagion rather than by rigorous analysis of fundamentals. Both attract participants who lack the analytical tools to distinguish sound investments from speculative gambles. And both operate without a widely accepted framework for determining what the assets they trade are actually worth.

Bitcoin, heralded since its inception in 2009 as a decentralized antidote to fiat currency's failings, has demonstrated the potency of a currency free from state dominion. Its fixed supply of 21 million coins, its sixteen years of unbroken operation, and its adoption by approximately 80 million holders at the time of the December 2024 Benchmark calibration represent a genuine achievement in the history of money. Yet Bitcoin's volatility, driven by speculative pricing and institutional flows through exchange-traded funds, and its tendency toward hoarding render it less a medium of daily commerce than a store of wealth analogous to physical gold. Its base-layer throughput of approximately seven transactions per second and median fees that have at times exceeded twenty dollars during periods of network strain make it ill-suited to the swift and frequent exchanges that animate a market economy.

More critically, the entire cryptocurrency market, comprising thousands of independently designed networks, rises and falls in lockstep with Bitcoin's price. When Bitcoin rises, every altcoin tends to rise. When Bitcoin falls, the broader market tends to fall. This structural dependency exists because the market has lacked an independent method for valuing its constituent assets. In the absence of a fundamental valuation framework, Bitcoin's price has functioned as the only signal, and every other coin has functioned as a leveraged bet on Bitcoin's trajectory.

Volumes 1 through 4 of the Gotts Cryptocurrency Corpus, taken together, was developed to address these failures at the level of the entire asset class. Volume 1 (*Cryptocurrency Analysis*) developed the analytical framework. Volume 2 (*The Intelligent Investor (Crypto Edition)*) translated the framework into allocation discipline. Volume 3 (*Digital Gold (DGD) is Perfect Money*) develops the case that DGD is the specific cryptocurrency the framework's analytical apparatus was always pointing toward, with the operational completion of monetary function depending on the supply-chain work this paper introduces in Section 9. Volume 4 (*The CoinFund Thesis*) develops the operational case for three sequential fund vehicles deploying capital against the framework's identified portfolio, with Digital Gold as the structural anchor of that portfolio.

Digital Gold (DGD) is proposed to address the asset class's failures at every level. It is a Layer-1 cryptocurrency designed to satisfy the six pillars of perfect money identified through the Austrian economic tradition. Its valuation is determined not by speculative exchange but by the Crypto Fair Value (CFV) formula, a transparent, reproducible calculation that any participant can verify using publicly available data. Its distribution is governed by a Proof-of-Participation model that prevents whale accumulation and ensures every participant receives an equal share at every level of growth.

Its technical architecture, a Bitcoin-derived codebase enhanced by Segregated Witness, hybrid proof-of-work and proof-of-stake consensus, dynamic block sizes, and burned transaction fees, is optimized for the commercial transactions a functioning currency must facilitate.

What this second edition adds, beyond what the first edition developed, is the operational argument for how DGD becomes money in commerce. Sections 9 and 10 develop the supply-chain circulation thesis, the fourth participation pathway that rewards supply-chain onboarding, and the dimensional-lumber example that demonstrates concretely what supply-chain circulation looks like across the full sequence of links from retail point-of-sale back to raw-material extraction. These sections are the structural additions that make the title's claim, that DGD is perfect money, operationally meaningful rather than merely structurally aspirational.

This white paper presents the framework: the intellectual foundations drawn from Austrian economic theory; the Digital Gold Standard Benchmark and Crypto Fair Value formula that anchor DGD's valuation; the 1,000-level distribution mechanism that governs its issuance; the technical architecture that enables its operation as a medium of everyday exchange; the decentralization vision engineered for tens of millions of nodes; the single-price model and cooperating-venue infrastructure that distinguish DGD from every other cryptocurrency; the supply-chain circulation argument and the fourth participation pathway; and the legal structure designed to operate outside the investment-contract definition.

2. Intellectual Foundations: Austrian Economics and Perfect Money

2.1 The Austrian Tradition

Most rigorous intellectual effort to define what money is, how it originates, what makes it sound, and what corrupts it belongs to the Austrian school of economics.

Carl Menger, in his 1892 essay *On the Origins of Money*, demonstrated that money is not a creation of the state but emerges spontaneously from voluntary market exchange, as individuals converge on the most saleable commodities, those that are durable, divisible, portable, scarce, and universally desired. Gold and silver emerged as dominant money precisely because they possessed these qualities to a greater degree than any competing commodity.

Ludwig von Mises extended Menger's insight by demonstrating that government monopoly over money leads inevitably to debasement, inflation, and the transfer of wealth from the productive class to the financial class. His regression theorem showed that the value of money today can be traced backward through a continuous chain of voluntary acceptance to the moment the commodity was first adopted for monetary use.

Friedrich Hayek, in *The Denationalisation of Money* (1976), proposed that governments should be stripped of their monetary monopoly and that private institutions should be permitted to issue competing currencies. Whichever currency best served its users (maintaining purchasing power, offering ease of transaction, and commanding wide acceptance) would prevail. Currencies that depreciated, was expensive to transact, or was unreliable would be abandoned.

Existing Layer-1 cryptocurrencies are precisely the competing private currencies Hayek envisioned. DGD is designed to be the one that most fully satisfies the Austrian criteria.

2.2 The Six Pillars of Perfect Money

Synthesized from the work of Menger, Mises, and Hayek, and validated by the historical experience of American monetary systems from colonial scrip to the Federal Reserve Note, six essential attributes define perfect money.

Scarcity. Total supply must be limited by rules that are transparent, predictable, and resistant to manipulation. The Federal Reserve has expanded the United States money supply from approximately $3 billion in 1913 to more than $21 trillion, an increase of roughly 7,000 percent. Bitcoin's 21-million-coin cap, enforced by protocol and secured by the most powerful proof-of-work network in the world, demonstrates that code-enforced scarcity is possible. DGD adopts the same 21-million-coin cap, with 19 million in maximum circulating supply and 2 million held in the treasury for staking, neither of which can ever be increased.

Stable Pricing. Purchasing power of the monetary unit must remain reasonably constant over time. The Federal Reserve's two percent annual inflation target means the dollar loses half its purchasing power every thirty-five years. Bitcoin's long-term trajectory shows dramatic appreciation but with extreme short-term volatility that limits its practicality as a medium of everyday exchange. DGD's community-validated pricing, advancing incrementally across 1,000 levels tied to measurable adoption metrics, provides predictability that neither fiat nor speculatively-priced cryptocurrency offers.

Free Adoption. Perfect money must be adopted voluntarily rather than imposed by government decree. Every Layer-1 cryptocurrency satisfies this requirement, because no cryptocurrency has been imposed on anyone by force. DGD extends this principle by ensuring that its distribution mechanism is equally voluntary. Participants choose when, whether, and how much to validate at each level.

Decentralized Governance. Perfect money must be governed by rules rather than by discretion, and those rules must not be subject to alteration by any single authority. DGD achieves this through on-chain community consensus at each of its 1,000 levels, with no central authority capable of unilaterally altering the monetary policy. The rules under which DGD operates were set at inception and cannot be changed, a structural commitment Section 11 develops at depth.

Freedom to Transact. Perfect money must allow its users to transact freely, without surveillance, censorship, or permission from any intermediary. DGD integrates native support for Tor V3 Onion Network addresses, ensuring encrypted and anonymous transactions.

Adequate Circulation. Perfect money must circulate in sufficient quantity and velocity to facilitate the transactions the economy requires. This pillar is the structural commitment that Section 9 of this paper develops at length. Adequate circulation is not merely the existence of transaction volume in aggregate; it is the operational capacity of the currency to flow across the full supply chain that real

economic activity comprises. DGD's design, particularly the single-price architecture and the supply-chain onboarding pathway, is specifically calibrated to produce circulation at this depth.

3. The Digital Gold Standard Benchmark

3.1 Origin and Purpose

Every system of measurement requires a standard. The meter is defined by the distance light travels in a specified fraction of a second. The kilogram is defined by the Planck constant. These standards are not arbitrary. They are chosen because they are stable, reproducible, and grounded in observable reality. Once set, they do not change because the objects being measured change.

Cryptocurrency markets have lacked such a standard. There has been no agreed-upon framework for measuring the intrinsic value of a cryptocurrency, no reference point against which individual projects can be compared, and no common language for discussing whether a particular coin is overvalued, undervalued, or fairly priced.

The Digital Gold Standard Benchmark (DGSB) addresses this absence. It was developed in Volume 1 of the Gotts Cryptocurrency Corpus and is the analytical reference against which every cryptocurrency the framework evaluates is measured.

3.2 The Benchmark Metrics

In December 2024, Bitcoin reached a market capitalization of approximately $1.983 trillion, with the price of a single coin touching $100,000 for the first time. This valuation was not the product of a Reddit forum or a Telegram group. It was the product of the most sophisticated capital allocation machinery on earth. Largest asset managers, major investment banks, and the regulated exchange-traded fund infrastructure of the United States had all participated.

DGSB captures the measurable fundamentals that these institutions collectively valued at $1.983 trillion:

Market Capitalization Anchor: $1.983 trillion.

Circulating Supply (Bitcoin, December 2024): 19.83 million BTC.

Coin Price (Bitcoin, December 2024): $100,000.

Adoption: approximately 80 million unique holders (weighted 70 percent in CFV).

Annual Transactions: approximately 6.09 billion (weighted 10 percent in CFV).

Annual Transaction Value: approximately $13.49 trillion (weighted 10 percent in CFV).

Active Developers: approximately 905 unique contributors (weighted 10 percent in CFV).

3.3 The Benchmark Is Fixed and Independent

The DGSB was set once, in December 2024, and from that moment forward it became an independent standard. It is not the Bitcoin Benchmark. It does not track Bitcoin's price. It does not update. It is a snapshot frozen at a specific moment in time, and every cryptocurrency, including Bitcoin itself, is measured against it on equal terms.

If Bitcoin's fundamentals improve relative to the benchmark, its Fair Coin Price increases. If they deteriorate, its Fair Coin Price decreases. Bitcoin receives no special treatment, no exemption, and no permanent throne.

This parallels the role that gold played as the benchmark for monetary systems throughout history. Gold did not change to accommodate the currencies measured against it. The currencies were measured against gold, and their values rose or fell based on their own merits. The DGSB operates on the same principle: a fixed, objective reference point grounded in measurable reality.

4. The Crypto Fair Value (CFV) Formula

4.1 The Formula

Translating the DGSB into a practical, reproducible tool, the CFV formula yields: reproducible tool for estimating the intrinsic value of any Layer-1 cryptocurrency:

CFV = \$1.983T × [0.70 × (Coin Adoption / 80M) + 0.10 × (Coin AT / 6.09B) + 0.10 × (Coin ATV / \$13.49T) + 0.10 × (Coin Dev / 905)]

Formula mechanics compare each of a coin's four fundamental metrics to the corresponding DGSB benchmark metric, applies the appropriate weight, and sums the results to produce a composite ratio. That ratio is then multiplied by the benchmark market capitalization of \$1.983 trillion to produce an estimated Fair Coin Value.

4.2 The 70% Adoption Weighting and Its Status

Adoption receives 70 percent weight because the number of people who have chosen to hold a currency is, in the framework's analytical position, the single most important determinant of its value. This conviction is grounded in Menger's theory that money emerges from the voluntary choices of market participants, in the empirical observation that network effects are the most powerful value driver in digital networks, and in the practical reality that a cryptocurrency's transaction volume, transaction value, and developer activity are all downstream consequences of its adoption. Adoption is the cause; the other metrics are effects.

Seventy percent Adoption is the framework's principal analytical commitment, and it is treated as such. Critics of the framework, including thoughtful sympathetic critics, have argued that the weighting is too high for the first decade of a Layer-1 coin's operational life and that alternative weightings would produce different and possibly more accurate Fair Coin Prices. Framework position is that the 70 percent weighting is correct for the asset class as the framework analyzes it,

but the framework's two-tier version architecture explicitly permits subsequent protocol versions to revise the weighting if the operational record across the coming decade demonstrates that an alternative weighting would have produced superior results. Current version-1.0 commitment is the 70/10/10/10 weighting; the empirical record will inform whether subsequent versions adopt different weights. This versioning architecture is documented in Chapter 13 of Volume 2 of the corpus.

4.3 Worked Example: DGD at Level 1,000 Under the Metric-Scaling Presumption

At Level 1,000, DGD is designed to reach 80 million accounts. The $100,000 Level 1,000 Fair Coin Price arises from the CFV formula under the explicit presumption that DGD's other three metrics scale proportionally to its adoption.

Working through it:

Adoption ratio = 80,000,000 / 80,000,000 = 1.0 (weighted at 70 percent: 0.70)

Transactions ratio = 6.09B / 6.09B = 1.0 (weighted at 10 percent: 0.10)

Transaction Value ratio = $13.49T / $13.49T = 1.0 (weighted at 10 percent: 0.10)

Developers ratio = 905 / 905 = 1.0 (weighted at 10 percent: 0.10)

Composite Score = 0.70 + 0.10 + 0.10 + 0.10 = 1.0

CFV = 1.0 × *1.983 trillion* = *approximately* 1.9 trillion

Fair Coin Price = *1.9 trillion / 19 million circulating* = *approximately* 100,000

Therefore the $100,000 Level 1,000 Fair Coin Price is the maximum Fair Coin Price the framework produces if all four metrics scale together. Adoption alone is directly controlled by the 1,000-level distribution mechanism. Three other metrics depend on whether DGD actually becomes the medium of commercial exchange the design intends. If DGD reaches 80 million holders but only a fraction of the projected transaction volume, transaction value, or developer activity, the Composite Score at Level 1,000 will be lower than 1.0 and the Fair Coin Price will be lower than $100,000.

This conditionality is not a defect in the design. It is the honest statement of what the framework does and does not guarantee. The 1,000-level mechanism guarantees the adoption pathway through community-validated participation. The other three metrics will arise (or not) from DGD's actual use as money in commerce. The supply-chain circulation work that Section 9 develops is the operational mechanism by which the other three metrics are achieved.

Foundation publication of the four measured metrics is monthly so participants can verify the actual Composite Score and the resulting Fair Coin Price at any moment. The reproducibility commitment, documented in Volume 2 Chapter 13 of the corpus, operates against this publication.

5. The 1,000-Level Distribution System

5.1 Design Philosophy: Fairness Over Accumulation

Cryptocurrency markets suffer from a distribution problem that the Digital Gold Standard Benchmark and CFV formula alone cannot solve. In Bitcoin's history, early miners accumulated vast quantities of coins at negligible cost, and institutional whales now control significant portions of the circulating supply through ETFs. Eleven approved spot Bitcoin ETFs collectively held more than 1.3 million BTC by late 2025, a concentration of ownership exceeding even the estimated holdings of Satoshi Nakamoto.

DGD's 1,000-level system is designed as the antithesis of this pattern. Its core principle is that at every level of growth, every participant receives an equal share of the newly available coins, and no participant can take more than their equal share. This is the fairness mechanism that prevents whale accumulation and ensures broad distribution.

5.2 Coin Supply and Allocation

DGD has a total supply of 21 million coins, structured as follows.

Nineteen million coins are designated for distribution to the community across the 1,000 levels. These are the coins that will ultimately circulate.

Two million coins are permanently locked in the treasury for staking. These will never enter circulation, making the maximum circulating supply 19 million.

The initial circulating supply at Level 1 is approximately 7,286,048 DGD, which includes 5 million allocated to the Foundation's operating treasury at the founder's donated value; 1 million for the founder; and approximately 1.286 million for co-founders and beta testers. The Foundation's operating treasury allocation funds the legislative and self-regulatory mission described in Section 12. The founder's allocation reflects the personal funding the founder contributed to the development of DGD, which the founder donated to the Foundation as the completed coin. The co-founder and beta-tester allocations recognize the contributions those parties made to the development of DGD before any participant acquired the coin through the level-by-level distribution.

5.3 How the Levels Work

Operating across 1,000 levels, with three quantities increasing incrementally from level to level.

Account growth occurs at 1.136518147 percent per level, starting at 1,000 at Level 1 and reaching 80,000,000 at Level 1,000.

Price advancement is 1.0352200547704 percent per level, starting at $3.40 at Level 1 and reaching $100,000 at Level 1,000. Starting market capitalization at Level 1 is $24,787,500. Ending market capitalization at Level 1,000 is approximately $1.9 trillion.

New DGD issued at each level grows by approximately 0.383 percent per level, starting at 1,000 at Level 1 and reaching approximately 45,737 at Level 1,000.

DGD-per-member-per-level allocation shows the maximum each account can receive at any given level. At Level 1, this is 1.0 DGD per member. By Level 1,000, it has decreased to approximately 0.0006 DGD per member. This declining per-member allocation is the mathematical consequence of the growing number of accounts sharing each level's issuance, and it is what creates increasing scarcity for later participants.

5.4 The Validation Process

Account holders pre-load their accounts with funds. At each level, three outcomes are possible.

Full validation. If a member's account has enough funds to cover their full per-member share at that level's price, they validate the full amount and receive their maximum allocation.

Partial validation. If a member does not have enough funds to cover the full share, they buy as many DGD as their account balance allows at that level's price. They receive a partial allocation rather than being excluded.

Constraint. Nobody can buy more than their per-member allocation at any given level. This is non-negotiable. It prevents whales from scooping up disproportionate amounts.

Crypto Fair Value column in the distribution table represents the maximum dollar amount each member can validate per level. At Level 1, this is $3.40. By Level 1,000, it has risen to approximately $57.17. This column grows because the price per coin rises, even as the number of coins per member shrinks, keeping the per-person cost accessible throughout the growth trajectory.

5.5 Unvalidated Coins and the Treasury

When some accounts cannot afford their full share at a level, those leftover coins are not redistributed to other members. They return to the Foundation's treasury. After all 1,000 levels are complete, whatever remains in the treasury from these unclaimed portions stays in circulation but is owned by the Digital Gold Foundation, not by individual holders. The Foundation uses these coins exclusively for initiatives that drive merchant adoption, supply-chain penetration, and real-world commerce integration. Section 10 develops the supply-chain onboarding reward structure that draws on this treasury.

After Level 1,000 is reached, the same level-by-level structure continues to operate at the protocol level, but there are no further coins to validate. The 21-million-coin supply has been fully accounted for through the prior levels, with the validated portion held in the QT wallets of the participants who validated and the unvalidated portion held in the Foundation's treasury. The combination of the fixed supply ceiling and the continuous fee-burning mechanism described in Section 6.5 produces a coin count that is, from Level 1,000 onward, monotonically non-increasing. There is no inflation of coins in circulation under any condition the protocol permits. The supply curve is

strictly fixed at 21 million as the upper bound, and the operational record will reflect a slowly declining circulating supply as transaction fees are burned across the network's ongoing operation.

5.6 The Wallet and Account Architecture

Participation in the 1,000-level distribution requires understanding the relationship between the DigitalGoldX web account and the participant's actual DGD wallet. These are two distinct components, and the distinction matters for the safety of the participant's coins.

DigitalGoldX web accounts serve as the participant's interface to the validation process. Through the web account, a participant pre-loads funds, validates at each level as the network reaches it, and tracks their participation history. The web account is the convenience layer through which the validation activity is conducted.

Actual DGD coins, however, do not live in the web account. They live in the participant's DGD QT wallet, which is the open-source desktop full-node application available for Windows, MacOS, and Linux. QT wallet is the participant's sovereign custody.

When a participant validates at a level, the DGD coins they receive are delivered directly to the QT wallet they have specified. Practical consequence is significant. If a participant loses access to their DigitalGoldX web account, or if the web account is compromised by any means, the participant's DGD coins are unaffected. Coins remain in the QT wallet, secured by the participant's wallet.dat file, which only the participant controls. Validated coins continue to be delivered to the QT wallet at each level even if the web account is inaccessible. Web account is the validation interface; QT wallet is the custody.

This architecture follows the same principle that distinguishes self-custody from custodial cryptocurrency arrangements throughout the broader ecosystem. Participant sovereignty over their coins is structural rather than contractual. Foundation has no capacity to freeze, seize, or otherwise interfere with coins held in the participant's QT wallet, because the Foundation does not hold the wallet's private keys. Only the participant does.

Because the QT wallet's integrity depends on the wallet.dat file that contains the private keys, participants are responsible for backing up that file securely. Foundation guidance covers wallet backup procedures, restoration from backup, and best practices for protecting the wallet.dat file across hardware failure, computer replacement, and other contingencies. A participant who properly backs up their wallet.dat file maintains permanent access to their DGD coins regardless of what happens to any other component of the system.

5.7 The $10 Entry Point

Distribution mechanics are designed to be accessible at the lowest possible entry threshold. A participant can begin participating in DGD with as little as approximately $10 pre-loaded into their DigitalGoldX account. Mechanics work as follows: from the level-by-level validation structure.

When a participant pre-loads $10 into their account, that balance is available to validate at the current and subsequent levels. At each level the network reaches, the participant's account is checked against the per-member share required at that level's price. If the balance covers the full share, the participant validates fully and receives the maximum allocation. If the balance covers only a portion of the share, the participant validates partially and receives a proportional allocation. Participant balance is reduced by the amount validated, and the remaining balance carries forward to subsequent levels.

This continues until the participant's balance is exhausted. At the final level where some balance remains but is insufficient to cover the full share, the participant validates only the percentage of that level's share their balance still allows. After that level, no further validation occurs from the original balance. Already-validated coins remain in the participant's QT wallet permanently. Subsequent re-entry to validation at any level is possible by adding funds to their account, with subsequent validation operating on the same level-by-level mechanism applied to the new balance.

6. Technical Architecture

6.1 Layer-1 Blockchain

DGD operates as an independent Layer-1 blockchain, not built on or dependent upon Ethereum, Solana, or any other existing ecosystem. It is a Bitcoin fork, which means it inherits Bitcoin's battle-tested codebase and is compatible with much of Bitcoin's existing infrastructure of wallets, applications, and trading platforms.

A merchant accustomed to accepting Bitcoin can integrate DGD acceptance with relatively modest engineering effort. An investor versed in Bitcoin's platforms can interact with DGD without learning fundamentally new tools.

6.2 Consensus Mechanism

DGD employs a hybrid Proof-of-Work and Proof-of-Stake consensus model.

DGD's Proof-of-Work component is derived from Bitcoin's mechanism, providing the computational security that makes the network trustworthy for high-value transactions. DGD distributes computational burdens across a more granularly decentralized network of smaller computers, reducing energy consumption compared to Bitcoin's mining infrastructure.

Proof-of-Stake component is derived from the Blackcoin model, but with a critical modification: there are no staking rewards. The model has been modified at the protocol level so that no new coins are issued through staking activity. Entire 21 million supply is premined at inception, and no inflationary issuance can occur at any point in DGD's operational life. Stakers contribute to network security through the consensus mechanism without receiving newly issued coins as compensation; their economic incentive comes from holding DGD itself, whose value the framework ties to the network's adoption and use rather than to any reward stream the protocol distributes.

6.3 Segregated Witness

DGD integrates Segregated Witness to enhance scalability and resolve transaction malleability, enabling more transactions per block and streamlining data handling for faster confirmations.

6.4 Block Parameters

Block Size: starts at 2 MB with the ability to increase dynamically in response to network demand, ensuring high throughput without bottlenecks.

Block Time: 64 seconds, compared to Bitcoin's approximately 10 minutes. This dramatically accelerates transaction confirmations while maintaining security.

Transaction Fee: 0.00001 DGD per transaction, a negligible cost making exchange economical for all participants, from daily consumer purchases to large-scale supply chain settlements.

6.5 Fee Burning and Deflationary Pressure

Transaction fees are not redistributed to miners or stakers. They are systematically burned at the protocol level, permanently removing them from circulation and incrementally reducing the total supply over time. Combined with the absence of staking rewards established in Section 6.2, fee burning is the sole supply-side mechanism the protocol operates after the 21-million-coin premine.

Slight deflation in the circulating coin count is produced as transaction volume accumulates across the network's operational life. This stands in deliberate contrast to fiat currency, where monetary expansion is continuous, and to other cryptocurrencies, where staking issuance and validator rewards produce ongoing supply expansion. DGD's supply curve is monotonically non-increasing by protocol design, and no party, including the Foundation, has the technical capacity to alter this property.

6.6 Privacy

DGD integrates native support for Tor V3 Onion Network addresses, ensuring that communications within the network are encrypted and opaque to external scrutiny. This anonymity, analogous to the untraceable nature of physical cash, aligns with the Austrian principle that transactions should be a private matter between parties, free from the surveillance that state-controlled systems impose.

6.7 Self-Sovereignty and Censorship Resistance

DGD's source code is freely available. Users may download it to operate full nodes, participating directly in the validation and maintenance of the network's ledger without reliance on intermediaries. The decentralized and permissionless architecture operates across global boundaries, accessible to all who engage its protocols. No central authority can interdict the flow of value.

7. Decentralization at Scale: The Tens-of-Millions-of-Nodes Vision

7.1 The Decentralization Question

Decentralization is the property that distinguishes a cryptocurrency from a centrally administered digital asset. A network secured by a small number of validators is, structurally, closer to a centralized payment system than to the censorship-resistant alternative cryptocurrency was designed to provide. Number of independent validators determines the network's resistance to coercion, censorship, and capture by any single authority or coalition.

Bitcoin, the gold standard of decentralization in the current cryptocurrency landscape, operates with approximately 20,000 reachable full nodes globally, supplemented by a larger but uncertain number of non-reachable nodes. Other major Layer-1 coins operate with substantially smaller node counts. Aggregate node infrastructure across the entire admitted universe of cryptocurrencies, by any reasonable measurement, totals well under 100,000 active validators worldwide.

This is not enough. A network whose validation depends on tens of thousands of nodes is more decentralized than a network that depends on a handful of corporate validators, but it remains structurally vulnerable to coordinated pressure on its node operators by sufficiently determined adversaries. Cryptocurrency aspiration, taken seriously, is for a network so distributed that no plausible adversary could compromise enough nodes to threaten the network's operation.

7.2 The DGD Decentralization Target

DGD is engineered from inception for a different scale of decentralization. The design target is tens of millions of nodes, approximately three orders of magnitude beyond Bitcoin's current node count and well beyond what any cryptocurrency has previously attempted.

Architectural choices that make this scale possible are deliberate. Sixty-four-second block time is short enough to support frequent commercial transactions but long enough to permit lightweight nodes operating on consumer hardware to validate the chain in real time. Two-MB block size, with dynamic adjustment, is large enough to accommodate the transaction volume a global medium of exchange requires but small enough to keep storage and bandwidth requirements within reach of consumer-grade infrastructure. Bitcoin-derived codebase carries the operational maturity and tooling to support node deployment at scale. Tor V3 integration permits nodes to operate in jurisdictions where direct internet connectivity might be restricted or surveilled.

Result, if the deployment trajectory matches the design intent, is a network in which every account-holder can also operate a node. At the Level 1,000 target of 80 million accounts, even a 25 percent node-operation rate would produce 20 million nodes, more than 1,000 times the current Bitcoin node count. A 50 percent rate would produce 40 million nodes. Nothing in the cryptocurrency landscape today approaches this scale of decentralization.

7.3 Why This Matters

Massive node distribution provides three categories of structural protection that smaller networks cannot match.

First is censorship resistance. A network with 20 million independent nodes operating in jurisdictions across the globe presents an attack surface no plausible adversary, including the most capable state actors, could effectively coerce. Number of independent compliance points required to compromise the network exceeds the operational capacity of any centralized enforcement apparatus.

Second is consensus durability. A network with millions of nodes can sustain a level of node attrition (through hardware failure, voluntary exit, or targeted disruption) that would render smaller networks inoperable. Redundancy of this kind is not theoretical. It is a structural property that scales with the node count.

Third is verification accessibility. When millions of nodes operate independently, any participant can verify the network's state without reliance on intermediaries. Single-point-of-trust dependency that even Bitcoin nominally has, where users of light clients depend on the operators of full nodes for verification, is dissolved when full-node operation is itself broadly distributed.

Combined, these three properties produce a category of decentralization that cryptocurrency has aspired to since its inception but has not previously achieved. DGD's design treats this as the target rather than as an aspiration to be deferred.

8. The Single-Price Architecture

8.1 No Bid/Ask: The Structural Innovation

This is the single most important distinction between DGD and every other cryptocurrency in the market. DGD has no bid/ask price anywhere in the cooperating-venue universe. It does not trade on speculative order books. There is no exchange-determined price discovery for DGD as there is for Bitcoin, Ethereum, or any other cryptocurrency.

Instead, DGD has a single published price at any moment in time, set through one of two mechanisms.

During the 1,000-level distribution period, the price is set through the Validation process at DigitalGoldX. Community participants pay the level price as the network reaches each level, validating that price by their voluntary participation. Once a level's price is validated through participation, the Digital Gold Explorer publishes that price as the authoritative current price.

After Level 1,000 is reached, the price is set through the monthly CFV recalculation. The Foundation measures DGD's four metrics (adoption, annual transactions, annual transaction value, and active developers) using the audited data infrastructure described in Section 12. The CFV formula is applied to those measurements. The resulting Fair Coin Price is published to the Digital Gold Explorer on the first of each month.

In both cases, the Explorer is the single authoritative source of DGD's current price. Every venue that displays DGD (the DigitalGoldX P2P platform, integrated mobile wallets, decentralized exchanges, centralized exchanges) pulls that price via smart contract integration with the Explorer and displays it uniformly.

8.2 The Cooperating-Venue Network and Contractual Exclusivity

Single-price architecture requires venues to display the Explorer price uniformly and to refrain from offering bid/ask trading at any other price. This requirement is enforced through a deliberate institutional design: venues that list DGD do so through paid integration agreements with the Foundation, and those agreements include exclusivity clauses that contractually prohibit the venue from offering DGD trading at any price other than the Explorer-published price.

Integration fees are paid to the cooperating venues by the Foundation, which is the standard commercial relationship under which any cryptocurrency obtains exchange listings. Foundation payment includes consideration for the exclusivity commitment. A venue that accepts the Foundation's payment and signs the integration agreement is contractually obligated to display only the Explorer price and to facilitate DGD transactions only at that price. A venue that subsequently violates the exclusivity clause by introducing bid/ask trading would be in breach of contract, with the standard commercial remedies available.

As of the date of this paper, dozens of centralized exchanges, decentralized exchanges, and mobile wallets have agreed in principle to the integration model. Ongoing institutional work is to expand this cooperating-venue universe through additional integration agreements, ensuring that DGD's single-price availability extends across the venues that participants actually use.

This enforcement model is structurally analogous to how stablecoin issuers maintain integrity: through commercial agreements with venues, audit relationships, and the institutional reputation that depends on consistent execution. Mechanically the structure is not novel commercially. What is novel is its application to a Layer-1 coin whose price is determined by a fundamentals-based formula rather than by a fiat-backing redemption commitment.

8.3 The Dollar Comparison Properly Stated

DGD's single-price model is sometimes compared to how the United States dollar maintains its denomination. Comparison is informative if stated precisely. Within the United States, a dollar is a dollar. When a depositor sends $100 to a bank, the bank credits the depositor's account with $100, not with $99.50 because some other party would prefer to bid less.

Dollar denomination within the United States is fixed by federal law, by the Federal Reserve's monetary authority, and by the institutional infrastructure that enforces the legal tender doctrine. What fluctuates is the dollar's exchange rate against other currencies (the EUR/USD rate, the JPY/USD rate, and so on) and its purchasing power against goods over time.

DGD's denomination operates similarly within the cooperating-venue universe. When a participant sends DGD to an integrated wallet, the wallet credits the participant with the DGD amount

transferred, displayed at the Explorer-published price. There is no bid/ask spread that would reduce the displayed value. The denomination of DGD against the dollar is the Explorer-published price, and that price changes only when the validated level advances or when the monthly CFV recalculation produces a new value.

Comparison is not perfect. The dollar's denomination is enforced by sovereign authority. DGD's denomination is enforced by commercial contract within the cooperating-venue universe. These are different enforcement mechanisms, and the strength of each depends on the integrity of the institutions involved. Ongoing Foundation work is to maintain the integrity of the cooperating-venue network through commercial agreements that hold across the institutional, regulatory, and competitive pressures the cryptocurrency industry generates.

8.4 The DigitalGoldX P2P Platform

DigitalGoldX serves as the primary platform for DGD participation. It hosts the validation interface where community members pay the level price during the 1,000-level distribution period. It hosts the peer-to-peer trading platform where participants who hold DGD can sell their coins to other participants who want to acquire them, with all transactions occurring at the Explorer-published price and the platform providing escrow services for protection against fraud. It hosts the marketplace where goods and services may be exchanged for DGD, scheduled to launch on July 4, 2026.

P2P trading is the principal venue through which DGD changes hands between holders and acquirers. A participant who wishes to sell DGD posts the offer at the current Explorer price. A participant who wishes to acquire DGD identifies a willing seller and completes the transaction through the platform's escrow service for a nominal flat fee. Foundation analysts do not act as counterparty. Foundation infrastructure enables willing parties to transact at the published price.

Platform payment options include standard methods (credit and debit cards, Google Pay, Apple Pay, Cash App), stablecoins (USDC and USDT), and select altcoins identified as undervalued by the CFV formula. This range of payment options ensures broad accessibility for participants regardless of their existing digital-asset infrastructure.

9. Supply-Chain Circulation: The Operational Test of Monetary Function

9.1 What This Section Argues

First edition of this white paper established that DGD's design satisfies the six pillars of perfect money. This second edition develops a structural commitment the first edition did not make explicit: that DGD's satisfaction of the six pillars is necessary but not sufficient. Sufficient condition for DGD to be perfect money is that DGD actually function as money in commerce, which requires DGD to circulate across the full supply chain that real economic activity comprises.

A cryptocurrency that the consumer uses to buy lumber at a retail building-supply store has satisfied the consumer-to-merchant transaction. But the retailer who receives the cryptocurrency immediately

faces the question of what to do with it. Each retailer owes money to the wholesale lumber distributor who supplied the inventory. Each retailer owes money to the employees who work the sales floor. Each retailer owes money to the landlord who owns the retail space. Each retailer owes money to the utility companies that provide power and heat to the store. If the retailer cannot pay any of these counterparties in the cryptocurrency the consumer used, the retailer will convert the cryptocurrency to dollars or to dollar-backed stablecoins to settle the obligations the retailer actually has. Cryptocurrency has transacted once, then exited the system through the conversion.

This is not monetary function. This is the cryptocurrency operating as a payment instrument that the merchant tolerates as a customer-acquisition feature, while the merchant's economic life continues to be denominated in the established currency. Structural test for whether a cryptocurrency has become money is whether it can flow from the consumer through the merchant to the wholesaler, from the wholesaler to the manufacturer, from the manufacturer to the raw-material supplier, and from the raw-material supplier to the workers and landowners whose labor and resources made the product possible. When the chain runs in full, the cryptocurrency has circulated. When the chain runs in full across enough sectors and geographies that the cryptocurrency's holders can transact with the cryptocurrency for the full range of economic activity their lives comprise, the cryptocurrency has become money.

DGD is designed to achieve this circulation. No other cryptocurrency currently in the market is designed for this. Structural reasons are the subject of the remainder of this section.

9.2 Why No Other Cryptocurrency Can Circulate at This Depth

Every cryptocurrency in the market other than DGD has bid/ask trading. The price of the cryptocurrency in dollars changes minute-by-minute across the trading venues that constitute the cryptocurrency's market. A retailer who accepts Bitcoin for a lumber sale receives Bitcoin at one price, and a few minutes later may find that the same quantity of Bitcoin is worth meaningfully more or meaningfully less. This price volatility creates an operational problem the retailer must solve.

Wholesalers invoice the retailer in dollars. Employees are paid in dollars. Landlords receive rent in dollars. Tax obligations are computed in dollars. Accounting systems track revenue and expenses in dollars. Every operational dimension of the retailer's business is denominated in dollars. A retailer who accepts a cryptocurrency at one dollar value and then experiences the cryptocurrency's value moving against the obligations the retailer owes faces a real loss the retailer must absorb.

Rational response to this exposure is immediate conversion. Cryptocurrencies received from consumers go straight into and within seconds the retailer's payment processor converts the cryptocurrency to dollars or to a dollar-backed stablecoin. Retailers are paid in dollars. Retailers never hold the cryptocurrency at risk. Cryptocurrencies have been used for the consumer-to-merchant transaction, but the retailer has not received the cryptocurrency for purposes of subsequent payment to the wholesaler. The retailer has received dollars. The cryptocurrency has not circulated; it has been converted at the first opportunity.

This is the universal pattern across cryptocurrency payment processing today. BitPay, Coinbase Commerce, Strike, Lightning Spark, and the other principal cryptocurrency payment processors all operate on the same business model: the merchant accepts the cryptocurrency from the consumer, the processor converts the cryptocurrency to dollars or a dollar-backed stablecoin instantly, and the merchant receives dollar settlement. The cryptocurrency has transited the merchant but has not been received as money. It has been received as a one-step conversion mechanism that the consumer uses for whatever reason (preference, geography, regulatory context) but that the merchant immediately exits.

Pattern universality is what the rational response to bid/ask volatility produces to bid/ask volatility. A merchant who holds a volatile asset between receipt and settlement to the wholesaler is exposed to a price movement that can eliminate the margin the sale produced. Merchants who convert immediately are not exposed to the movement. Market discipline produces immediate conversion across essentially the entire merchant population that accepts cryptocurrency at all.

What this means structurally is that no cryptocurrency with bid/ask trading can become money in the supply-chain sense. Volatility of this kind is not a feature that adjusts as the cryptocurrency matures; it is a structural property of the bid/ask market mechanism, and it operates against the merchant's willingness to hold the cryptocurrency for the time required to pay the wholesaler. As long as the cryptocurrency has bid/ask trading, the merchant will convert at the first opportunity, and the chain that constitutes monetary function will not run.

DGD's single-price architecture eliminates this structural barrier. A merchant who accepts DGD knows that the DGD's value will not move adversely while the merchant holds it for the time required to pay the wholesaler. Price is what the Explorer publishes. Price changes occur only at the level transitions during the 1,000-level distribution, or at the monthly recalculation after Level 1,000, in both cases with the timing and direction publicly knowable in advance. Merchants can hold DGD for the time required to pay the wholesaler without the conversion the bid/ask volatility would force. Wholesaler payment can occur in DGD. Chain operation can begin.

This is the structural difference that makes DGD's monetary function operationally possible and that makes every other cryptocurrency's monetary function operationally impossible until the cryptocurrency adopts a comparable single-price architecture. DGD is, as of the publication date of this paper, the only Layer-1 cryptocurrency that has done so.

9.3 The Dimensional-Lumber Example

Structural arguments are best understood through a concrete example. Consider the supply chain for dimensional lumber, the standard construction material used in residential and light-commercial building.

A homeowner walks into a retail building-supply store to buy framing lumber for a home-improvement project. Homeowner payment is in DGD at the Explorer-published price. Retailer receipt of DGD goes into the retailer's DGD wallet at that price. So far, this is the consumer-to-merchant transaction that every cryptocurrency payment processor could handle.

Retailer's next supply order arrives from the wholesale lumber distributor. Distributor invoicing for $50,000 in inventory. Because DGD has no bid/ask volatility, the retailer can hold the DGD received from the homeowner (and from many other homeowners over the prior weeks) and pay the wholesaler in DGD. Wholesalers accept payment in DGD because the wholesaler operates within the cooperating-venue universe in which DGD is recognized as money at the Explorer-published price. Conversion to dollars does not occur. The DGD has flowed from the retailer to the wholesaler.

Wholesaler obligations to the lumber mill follow. Mill operations cut the dimensional lumber from raw logs and sold the finished inventory to the wholesaler. Wholesalers pay the mill in DGD. Mills receive DGD at the Explorer-published price and recognizes the payment as the settlement of the wholesaler's obligation.

Mills have obligations to the raw-lumber company that delivered the logs the mill processes. Raw-lumber companies operate the logging equipment, employs the choke setters who hook the felled logs to the rigging, employs the helicopter team that lifts logs from steep terrain where ground-based extraction is impractical, employs the truckers who haul the logs from the harvest site to the mill, and pays the landowner who sold the standing timber that produced the logs in the first place. Mills pay raw-lumber companies in DGD.

Raw-lumber companies pay their choke setters in DGD. It pays its helicopter team in DGD. It pays its truckers in DGD. It pays the landowner who sold the standing timber in DGD.

Landowners who sold the timber use some of the DGD to pay property taxes (which requires the property-tax authority to be a DGD-accepting participant), some to make personal purchases at retailers who accept DGD (which begins new cycles at other retail points), some to acquire additional standing timber from a different landowner (which begins a new cycle in the timber supply chain), and some to save for future use.

When the chain runs in full, DGD has flowed from the homeowner who walked into the retail store all the way to the landowner who sold the standing timber, and then to the workers and counterparties the landowner pays from those proceeds. DGD has not been converted to dollars at any point in the chain. The DGD that the homeowner spent has done the full work of money: it has settled the retailer's obligation, the wholesaler's obligation, the mill's obligation, the raw-lumber company's obligation, the workers' wages, and the landowner's tax and personal obligations.

This is what monetary function looks like in operational terms. It is not a single transaction. It is the chain of transactions that real economic activity comprises, with the currency flowing across every link without conversion to the established currency.

Dimensional-lumber is one of many such chains. Every sector of the real economy has a comparable structure. Agricultural products move from the consumer through the grocery retailer, the wholesale distributor, the food processor, the farmer, the seed and fertilizer suppliers, and the agricultural workers. Construction services move from the homeowner through the general contractor, the trade subcontractors, the building-material suppliers, the manufacturers, and the

workers across each tier. Hospitality and food service moves from the diner through the restaurant, the food and beverage distributors, the producers, and the workers across the chain. Every sector has a supply chain that the currency must traverse for the currency to function as money in that sector.

9.4 The Decade Horizon

Producing supply-chain circulation across the full range of sectors that real economic activity comprises is not a year's work. It is a decade's work, and probably longer for the most complex supply chains.

Each link in each chain has to be persuaded that DGD is operationally viable for the link's specific commercial context. The retailer has to understand that DGD will be accepted by the wholesaler. The wholesaler has to understand that DGD will be accepted by the manufacturer. The manufacturer has to understand that DGD will be accepted by the raw-material supplier. The raw-material supplier has to understand that DGD will be accepted by the workers and the landowners. Each link's acceptance depends on the subsequent links having accepted DGD. The first link cannot rationally accept DGD until the chain has been built behind it, and the chain cannot be built behind the first link until the first link has demonstrated that DGD acceptance is operationally feasible.

This is the bootstrapping problem that every new currency faces. Foundation strategy for addressing it is the supply-chain onboarding pathway introduced in Section 10, with the operational work concentrated geographically (so that a regional cluster of supply-chain participants achieves operational completeness within a defined geography before the work expands) and sectorally (so that specific industries with simpler supply chains achieve circulation first, with more complex industries following).

Dimensional-lumber as an example is operationally tractable because the supply chain is geographically concentrated (timber comes from a defined geographic region, the mill is regional, the wholesale distribution is regional, the retail outlets are regional). A regional cluster comprising the timber landowners, the logging operations, the regional mills, the regional wholesalers, and the regional retail outlets can achieve operational completeness within a defined geographic area without requiring the entire national economy to convert to DGD acceptance. Other sectors with regional concentration (agricultural products, construction services, regional manufacturing) can achieve operational completeness on similar geographic foundations.

National and international supply chains will follow once the regional foundations are operationally proven. A national or international supply chain depends on the regional supply chains at its inputs and outputs being operationally complete in DGD; until they are, the national or international chain cannot escape conversion at the regional boundaries. Foundation institutional work is to build the regional foundations first, accept the multi-year work the regional buildouts require, and let the national and international chains follow as the regional foundations mature.

Decade horizon estimates are honest. Building money is not a quarter's work. Federal Reserve charter in 1913 and required a generation of institutional development before it operated as the

monetary authority the United States economy could depend on. Bretton Woods required decades of operational development before it functioned and several additional decades before it failed. European Monetary Union was conceived in the 1970s, the euro was launched in 1999, and the system has been operating under successive institutional adjustments for the quarter-century since. DGD is undertaking the work that comparable monetary systems have always required, with the timeline appropriate to the scale of the undertaking.

What distinguishes DGD's undertaking from those of fiat monetary systems is that DGD's institutional development does not depend on sovereign authority. The Foundation has no army, no central bank, no statutory authority to compel acceptance of DGD as money. Work involved is the patient persuasion of voluntary participants link by link, supply chain by supply chain, region by region. Decade horizon is the realistic estimate of how long that voluntary work requires.

9.5 The Four-Metric Implication

Supply-chain circulation arguments have direct implications for the four-metric measurement the CFV formula applies. Three of the four metrics directly reflect supply-chain circulation:

Annual Transactions rises as DGD changes hands across supply-chain links. A single retail sale produces one transaction at the consumer-to-merchant layer. The same sale, with full supply-chain circulation, produces additional transactions as the DGD flows from retailer to wholesaler, from wholesaler to manufacturer, from manufacturer to raw-material supplier, and from raw-material supplier to workers and landowners. A retail sale that produces one transaction without supply-chain circulation produces six or more transactions with supply-chain circulation. The transaction count grows with the depth of circulation, not merely with the rate of retail sales.

Annual Transaction Value rises with the dollar amount moving across each link. The original retail sale represents a certain dollar value. The wholesaler's payment to the manufacturer represents a different dollar value (typically larger in absolute terms because it covers many retail sales' worth of inventory). The manufacturer's payment to the raw-material supplier represents another dollar value. Each link contributes additional transaction value, and the cumulative transaction value across the full chain substantially exceeds the original retail sale's value. The transaction value metric grows with the depth of circulation in the same way the transaction count metric does.

Adoption rises with the number of participants who hold and use DGD. A retailer accepting DGD becomes a DGD holder. The wholesaler accepting DGD becomes a DGD holder. The manufacturer accepting DGD becomes a DGD holder. The raw-material supplier accepting DGD becomes a DGD holder. The workers and the landowners accepting DGD become DGD holders. Each supply-chain link contributes new holders, and the cumulative adoption across the supply chains contributes to the broader holder count.

Only the fourth metric, **Active Developers**, does not respond directly to supply-chain circulation. Developer activity responds to other dimensions of the network's institutional health: the depth of the open-source contributor community, the operational maturity of the protocol's tooling, the integration with payment infrastructure, the standards and APIs that third-party developers can

build against. Supply-chain circulation creates the commercial conditions under which developer activity scales, but the developer metric is not driven mechanically by supply-chain depth in the way the other three metrics are.

Implications for the framework's CFV calculation are direct. As DGD's supply-chain circulation deepens across sectors and geographies, the Adoption, Annual Transactions, and Annual Transaction Value metrics rise. Composite Score rises. Crypto Fair Value rises. Fair Coin Price from the monthly recalculation is higher than it would be without the circulation. DGD's price growth, beyond Level 1,000, is therefore driven principally by the supply-chain work that the Foundation and its participants conduct. Supply-chain work is not philanthropy. It is the operational mechanism by which DGD's value appreciates after the 1,000-level distribution is complete.

9.6 Why DGD Can Do This and Other Cryptocurrencies Cannot

Structural conclusion of this section is that DGD can achieve supply-chain circulation because DGD's single-price architecture eliminates the volatility that forces merchants to convert other cryptocurrencies to dollars at the first opportunity. Every other cryptocurrency currently in the market has bid/ask trading, has the volatility that bid/ask trading produces, and faces the conversion pattern that the volatility forces.

Other cryptocurrencies could, in principle, adopt comparable single-price architectures. Doing so would require each cryptocurrency to negotiate cooperating-venue exclusivity agreements with the venues that currently provide bid/ask trading for that cryptocurrency, which would in turn require each cryptocurrency's foundation or governance to have the institutional capacity to negotiate and enforce such agreements at scale. Technical capacity exists for any of the twelve tracked coins to adopt a single-price model. The institutional capacity, the willingness of the venues to surrender bid/ask trading revenue, and the governance authority to make the institutional decision do not exist for any of them as of the publication date of this paper.

DGD's design committed to the single-price architecture at inception, before any participant acquired the coin, before any venue listed it, before any commercial relationship was established. The Foundation's commercial agreements with cooperating venues were negotiated against the structural commitment that bid/ask trading would be prohibited. The venues that signed the agreements signed them knowing that the exclusivity clauses were the price of integration. The institutional architecture supports the single-price commitment because the institutional architecture was built around the commitment from the beginning.

This is the structural reason DGD is the first cryptocurrency that can be money in the supply-chain sense, and the structural reason other cryptocurrencies cannot do this in their current form. The single-price architecture is the prerequisite. Without it, the conversion pattern that forces merchants to exit at the first opportunity operates universally. With it, the conversion pattern can be broken, and the chain that constitutes monetary function can begin to run.

10. Participation Pathways: Validation, Referrals, Promotion, and Supply-Chain Onboarding

10.1 The Four Pathways

Four participation pathways operate through which DGD is acquired. First three are operationally established. Fourth is the structural commitment this second edition of the white paper introduces, and is the operational mechanism by which the supply-chain circulation argued in Section 9 is realized.

Validation. Participants who pre-load funds into DigitalGoldX accounts validate at each level the network reaches, acquiring DGD at the level price up to the per-member allocation the level produces. Validation is the principal mechanism through which the 1,000-level distribution operates, and it is the pathway available to participants regardless of their capacity to engage with the other three pathways.

Referrals. Participants who refer other participants who subsequently validate at any level earn DGD recognition for the introduction. The specific referral structure (the recognition amount per referral, the timing of distribution, and the eligibility conditions) is announced through the Foundation's communications channels, primarily the @DigitalGoldTalk account on X (formerly Twitter), and is operated through the DigitalGoldX account interface. The referral pathway rewards the work of bringing new participants into the validation pathway.

Promotional participation. Participants who post DGD-related content publicly, including educational explanations, technical analyses, commentary on the framework, or other contributions to the public conversation about DGD, may earn DGD recognition through programs the Foundation operates. Like the referral program, the specific structure of promotional participation is announced through the Foundation's communications channels. The promotional pathway rewards the work of public discourse that grows the broader awareness of DGD.

Supply-chain onboarding. Participants who onboard merchants and supply-chain partners into DGD acceptance earn DGD recognition for the operational work the onboarding requires. This is the fourth participation pathway, introduced in this second edition of the white paper, and is the structural mechanism by which the supply-chain circulation Section 9 argued is realized.

10.2 The Supply-Chain Onboarding Pathway in Operational Detail

Operationally, the supply-chain onboarding pathway operates across three structural commitments.

Trigger structure. A participant earns recognition when a merchant or supply-chain partner the participant has onboarded completes specific operational milestones. Initial sign-up of a merchant produces smaller recognition. Merchant first DGD transactions with a supply-chain partner produce larger recognition. Cascading onboarding of additional supply-chain partners (the wholesaler the merchant pays in DGD, the manufacturer the wholesaler pays in DGD, the raw-material supplier the manufacturer pays in DGD) produces additional recognition at each link.

Cascading structure is what aligns the participant's incentives with the multi-year work that supply-chain penetration actually requires. A participant who onboards a retailer and then walks away has earned the initial sign-up recognition. A participant who onboards the retailer and then helps the retailer bring the retailer's wholesaler into DGD acceptance earns the additional cascading recognition. A participant who continues through the chain to the manufacturer, the raw-material supplier, and the workers at each tier earns recognition at each successive link.

Attribution structure. Supply-chain penetration is often the work of multiple participants over time. Participants who onboard a retailer are rarely the same parties who onboards the wholesaler. Attribution recognizes each participant's specific contribution. Foundation documentation infrastructure tracks that tracks which participant onboarded which supply-chain link and apportions the recognition accordingly.

When a chain is completed across multiple participants, each participant receives the recognition associated with the links the participant contributed. The aggregate recognition across all participants who contributed to a completed chain produces a meaningful collective reward, with the apportionment reflecting each participant's specific operational contribution.

Sizing structure. Foundation analysts draw on the unvalidated-coin treasury that accumulates from the 1,000-level distribution under Section 5.5, plus whatever Foundation-controlled reserves the institutional architecture maintains, to fund the supply-chain onboarding recognition. Sizing balances two operational requirements: the rewards must be large enough to motivate the multi-year work the onboarding requires, and the rewards must be small enough that the Foundation's reserves are not exhausted before the supply-chain work has reached operational maturity across the sectors and geographies the design intends.

Specific recognition amounts at each onboarding milestone are announced through the Foundation's communications channels, in the same manner as the referral and promotional recognition amounts. Structural principle is that the recognition scales with the operational complexity of the work each link in the supply chain represents: a small retailer producing perhaps a few thousand dollars per month in DGD transactions earns less recognition than a wholesaler producing perhaps a few hundred thousand dollars per month, which earns less recognition than a manufacturer producing perhaps a few million dollars per month, and so on through the chain to the raw-material suppliers and the landowners.

10.3 What the Pathway Enables

Supply-chain onboarding is the operational mechanism by which Section 9's circulation argument is realized. Pathway alignment connects the participants' incentives with the work that DGD's monetary function requires. Each participant who completes onboarding work raises the four-metric measurements that drive DGD's Crypto Fair Value upward, and the participants benefit from the appreciation their work has produced through both the recognition they directly earn and the appreciation of any DGD they already hold.

This is the structural argument that connects the supply-chain work to DGD's price trajectory. As supply-chain circulation deepens, Annual Transactions rise, Annual Transaction Value rises, and Adoption rises. The Composite Score rises. The Crypto Fair Value rises. The Fair Coin Price the monthly recalculation produces is higher than it would have been without the work. Every DGD holder benefits from the higher Fair Coin Price, and the participants who did the supply-chain work earn both their direct recognition and the proportional appreciation of any DGD they already hold.

Foundation institutional commitment is to operate the supply-chain onboarding pathway across the decade horizon that supply-chain penetration requires. The funds for the pathway come from the unvalidated-coin treasury and the broader Foundation reserves. The work continues as long as the supply-chain penetration is incomplete and as long as the Foundation has the reserves to support continued operational activity. The decade horizon is the honest characterization of what the work requires; the pathway is the mechanism by which the work is funded and rewarded across that horizon.

11. Post-Level-1,000 Purchasing Power Preservation

11.1 The Post-Level-1,000 Period

Once DGD completes Level 1,000 and reaches the design target of 80 million accounts at $100,000 per coin, the 1,000-level distribution is finished. No more coins enter circulation from the Foundation's treasury through the validation process. Maximum of 19 million DGD is in circulation, minus whatever has been burned through transaction fees and whatever remains in the Foundation's treasury from unvalidated coins across the 1,000 levels.

But the United States dollar, in which DGD's price is denominated, will continue to depreciate. Federal Reserve targeting of two percent annual inflation as official policy, which means the dollar loses half its purchasing power every thirty-five years. If DGD's price remained frozen at $100,000 indefinitely, its real purchasing power would erode at the same rate as the dollar's, defeating the entire purpose of a wealth-preserving currency.

Beyond Level 1,000, DGD's price is therefore updated on the first day of each month based on the full Crypto Fair Value calculation applied to DGD's actual, measurable network metrics as of the end of the previous month.

11.2 The Monthly CFV Recalculation

Formula remains the same:

CFV = $1.983T × [0.70 × (DGD Adoption / 80M) + 0.10 × (DGD AT / 6.09B) + 0.10 × (DGD ATV / $13.49T) + 0.10 × (DGD Dev / 905)]

Resulting fair market capitalization is then divided by the actual number of DGD coins in circulation (which will be 19 million minus cumulative burned fees and any Foundation-held treasury coins) to produce the updated per-coin Fair Coin Price.

If DGD's adoption grows beyond 80 million, or its transaction volume increases as the supply-chain circulation deepens, or its transaction value expands as the chain runs to deeper sectors and geographies, or its developer ecosystem strengthens, the CFV will produce a higher Fair Coin Price, and DGD's published price will increase accordingly. Price stability is not frozen. It continues to reflect the network's growing fundamentals, priced against the fixed DGSB benchmark that never changes.

Conversely, if DGD's metrics deteriorate, the CFV will produce a lower Fair Coin Price, and DGD's published price will decline accordingly. Framework guarantees do not cover price appreciation. It guarantees that the published price will reflect the measured fundamentals against the fixed Benchmark, with the fundamentals determining the direction.

11.3 How This Protects Purchasing Power

Consider the mechanics. If DGD's network continues to grow after Level 1,000 (if adoption expands beyond 80 million users as supply-chain circulation brings new merchants, suppliers, and workers into the DGD-using population; if transaction volume and value increase as the chain runs to deeper sectors and geographies; if the developer ecosystem matures), then each monthly CFV recalculation will produce a composite score greater than 1.0, and the Fair Coin Price will exceed $100,000. Divided by the circulating supply (which is shrinking due to fee burning), the per-coin price rises.

This rise is not speculative. It is the mathematical result of a transparent formula applied to verifiable metrics. It reflects the genuine growth of the network's economic significance, denominated in dollars that are themselves depreciating. The effect is that DGD's purchasing power is preserved, and likely enhanced, even as the dollar's purchasing power erodes.

Fee-burning provides a secondary layer of protection. As DGD is used more heavily for commerce, more fees are burned, reducing the circulating supply. A rising numerator (fair market capitalization from growing fundamentals) divided by a declining denominator (shrinking circulating supply from burned fees) produces accelerating per-coin price growth, a virtuous cycle that rewards the network's success.

Framework analysts do not, however, claim immunity from adverse outcomes. If DGD's network fails to grow, if adoption stalls, if transaction volume disappoints, if the developer community contracts, the monthly CFV recalculation will produce a lower Fair Coin Price. Protection mechanics work only when the underlying fundamentals support it. This is the honest characterization of what the framework does and does not guarantee.

11.4 The Monthly Update Cycle

Practical operation is straightforward. At the end of each month, DGD's four CFV metrics are measured and verified using on-chain data, third-party analytics providers, and the audited data infrastructure maintained by the Digital Gold Foundation. Foundation publication includes the

source data underlying each metric so that any third party can reproduce the calculation independently.

On the first of the following month, the full CFV formula is applied. The resulting Fair Coin Price is divided by the current circulating supply of DGD. Each new per-coin price is published to the Digital Gold Explorer. Immediately, every DEX, CEX, and mobile wallet that lists DGD pulls the updated price from the Explorer oracle through the smart contract integration. New prices are reflected across all platforms simultaneously, the same way a currency exchange rate update propagates across global markets.

There is no trading window between the old price and the new one. There is no arbitrage opportunity between platforms displaying different prices. Prices change once per month, based on real data, published by an oracle, and reflected uniformly across the cooperating-venue universe.

11.5 Coin Inflation: Impossible by Design

No new DGD coins are ever created after the initial premine of 21 million. The monthly price adjustment beyond Level 1,000 is a revaluation, not an issuance event. No coins are minted. No supply is expanded. The 19 million maximum circulating supply can only shrink (through fee burning), never grow. The Proof-of-Stake mechanism secures the network without producing any staking rewards, because the model has been modified at the protocol level so that no new coins are issued through staking activity. The transaction fee of 0.00001 DGD per transaction is systematically burned.

There is no mechanism, protocol-level or otherwise, by which the supply of DGD can increase. This is absolute, code-enforced scarcity, with slight ongoing deflation produced by the continuous burning of transaction fees.

12. Legal Structure and Securities Analysis

12.1 Why This Section Exists

Any cryptocurrency project that distributes coins to a community of participants must address the question of whether its distribution constitutes an offering of securities under the federal securities laws. Such questions are not optional, and the most defensible posture is to engage it explicitly in the project's foundational documents rather than to leave it implicit.

This section presents the Foundation's reasoning that DGD's arrangement does not constitute an investment contract under the Howey test, that the Foundation is not an issuer of securities, and that the participants are not investors in an enterprise.

This section is not legal advice. It states the Foundation's analysis of the legal structure as the Foundation has designed it. Participants who have specific legal questions about their own circumstances should consult their own counsel.

Foundation analysis benefits from the institutional record described in the broader literature, including the legal due-diligence work conducted with Hughes Hubbard and Reed and the framing developed in consultation with former SEC Commissioner Roel Campos in connection with related questions about cryptocurrency classification.

Analysis develops seven distinctions that place DGD outside the securities definition, applies the Howey test prong by prong, situates DGD's position within the case-law evolution that has clarified the test's application to cryptocurrency, and integrates the analysis with the March 17, 2026 SEC and CFTC Joint Interpretive Release No. 33-11412 that has provided the most comprehensive regulatory guidance on cryptocurrency in the history of the asset class.

Analysis is presented in the abbreviated form the white-paper format permits. Full exposition is available in Chapter 16 of the companion volume *Digital Gold (DGD) is Perfect Money*, Volume 3 of the Gotts Cryptocurrency Corpus.

12.2 The Howey Test and Its Origin

In 1946, the Supreme Court of the United States articulated the Howey test of the United States in *SEC v. W. J. Howey Co.*, 328 U.S. 293 (1946). Case origin was a Florida arrangement in which the W. J. Howey Company sold tracts of citrus grove land to investors who simultaneously entered into service contracts with an affiliated corporation that would cultivate, harvest, and market the citrus crop on the investors' behalf. Investors in that arrangement were predominantly out-of-state purchasers with no agricultural expertise and no operational involvement in the citrus cultivation. Supreme Court held that the arrangement constituted an investment contract subject to the Securities Act of 1933's registration requirements and articulated the four-part test that has subsequently been the standard framework for evaluating arrangements for investment-contract status.

Howey asks whether an arrangement involves: first, an investment of money; second, in a common enterprise; third, with a reasonable expectation of profits; fourth, derived from the efforts of others.

All four prongs must be satisfied for an arrangement to qualify as an investment contract. If any single prong fails, the arrangement is not an investment contract. Howey's facts establish the prototype the federal securities laws were enacted to address: a promoter solicits capital from passive investors; the capital funds an enterprise the promoter operates on the investors' behalf; the investors have no operational role; the investors' returns depend on the promoter's ongoing managerial efforts.

12.3 The Seven Structural Distinctions That Place DGD Outside the Securities Definition

Foundation position rests on seven distinctions that together place DGD outside the definition of a security. Seven distinctions are independent grounds on which the position rests, with the aggregate position operating as the Foundation's commitment that DGD is not a security under any current interpretation of the federal securities laws.

First, DGD was self-funded by the founder rather than through pooled investor capital. Founder development cost was borne personally across the years that preceded the distribution. Participants did not fund the development. There is no management team creating value from pooled investor capital because there is no pooled investor capital. The condition the Howey test was articulated to address, in which investors fund an enterprise that the promoter then operates on the investors' behalf, is absent from DGD's arrangement.

Second, the coins were donated to the Foundation. Foundation discretion over the donated coins is full, including the right to sell them at the level-by-level prices the protocol's rules establish. Foundation posture in the distribution is that of a donee distributing donated property under the protocol's rules rather than that of an issuer offering its own newly-created instruments to participants.

Third, there is no centralized governance because the rules were set at inception. Validation rules, value-per-level progression, the participation pathways, and the operational specifications were set before any participant signed up. There is no governance because there are no decisions being made that the protocol's operation would require. Participants freely choose to join the network or not, under rules they have been able to inspect before deciding.

Fourth, there are no staking rewards. DGD protocol does not pay yield to participants who hold the coin. DGD does not distribute earnings from any pool to the participants. DGD produces no pecuniary distribution to the holders that could be characterized as dividends. Absence of staking rewards removes one of the principal patterns that has produced security-status determinations against cryptocurrencies in the SEC's enforcement actions.

Fifth, there was no initial coin offering. Foundation analysts did not conduct a coin sale to fund development. Foundation analysts did not solicit investments from participants for the purpose of building an enterprise. Distribution operates through the level-by-level mechanism through which the Foundation distributes the donated coin to the participants who validate at each level. Absence of an initial coin offering removes the most common basis for security-status determinations against cryptocurrencies in the SEC's enforcement actions of the post-2017 period.

Sixth, the protocol's framing is wealth preservation rather than profit expectation. DGD's design is calibrated to track the Digital Gold Standard Benchmark's adoption metrics so that DGD's purchasing power tracks the cryptocurrency landscape's aggregate development. Framing is the framing of money rather than the framing of an investment. Participants' acquisitions are operationally analogous to acquisitions of gold, established commodities, or established stores of value rather than to investments in enterprises that the participants expect to operate on their behalf for the production of pecuniary returns.

Seventh, participants validate their own coin at fixed levels rather than pooling funds with strangers. Each participant's validation payment is separately exchanged for a specific quantity of DGD at the price the protocol's rules establish for the level. The participants are not pooling their payments. Each participant's acquisition is separate from the other participants' acquisitions. Separation removes the horizontal-commonality basis that has been the principal interpretation of the second prong's common-enterprise requirement in the federal circuits that have applied the horizontal-commonality interpretation.

12.4 Prong-by-Prong Analysis Under the Howey Test

Seven distinctions produce specific failures across the four prongs of the Howey test.

The first prong, an investment of money, has historically been read broadly. But the breadth has begun to encounter substantive limits, particularly in distributions where the participant's payment does not fund an enterprise the promoter will subsequently operate. DGD's validation mechanism falls within the area where those limits apply. Protocol operation was funded at the founder's personal expense before the distribution began. Participant payments acquire a specific quantity of an already-completed asset at a price the protocol's rules set in advance. Proceeds the Foundation receives are not used to fund the protocol's operation; they fund the Foundation's independent legislative, self-regulatory, and supply-chain onboarding mission, which does not contribute to any return the participants might expect from the protocol's operation.

The second prong, a common enterprise, is not satisfied under either the horizontal-commonality interpretation or the vertical-commonality interpretation that the federal circuits have applied. Horizontal commonality requires the pooling of investor funds; DGD's validation payments are not pooled. Vertical commonality requires that the participants' fortunes be tied to the promoter's efforts; the Foundation's efforts do not produce returns the participants might expect from the protocol's operation, because the Foundation's mission is distinct from the protocol's operation and the protocol operates autonomously through the decentralized network of nodes.

The third prong, an expectation of profits, is substantially weakened in DGD's case by the wealth-preservation framing the protocol's design produces. The Supreme Court's decision in *United Housing Foundation, Inc. v. Forman* (1975) established that the third prong requires a profit motive that dominates the participant's acquisition rather than a consumptive or use motive. DGD's framing is wealth preservation, with participants' acquisitions operationally analogous to acquisitions of money or stores of value rather than investments. The expectation is the expectation of preserved purchasing power rather than of investment returns.

The fourth prong, profits derived from the efforts of others, is the prong on which DGD's position is most clearly satisfied. Fixed-rules-at-inception architecture, combined with the Foundation's posture as a distributor rather than an issuer, produces the condition under which there are no efforts of others on which the participants might depend. DGD's rules were set at inception. Development was completed before the distribution began. Foundation analysts do not exercise managerial discretion over the protocol's operation. Decentralized community of nodes operates the

protocol autonomously. There is no central party whose ongoing managerial efforts the participants might rely on, because no ongoing managerial efforts are being conducted at any level of the protocol's operation.

12.5 The March 2026 SEC and CFTC Joint Interpretive Release

Most significant regulatory development for DGD's legal foundation is the SEC and CFTC Joint Interpretive Release No. 33-11412 issued on March 17, 2026. Joint Interpretive Release is the most comprehensive statement to date by the federal regulatory agencies on the application of the federal securities laws to cryptocurrency. Its achievement is the articulation of a five-part taxonomy for cryptocurrency assets: digital commodities, digital collectibles, digital tools, payment stablecoins under the GENIUS Act, and digital securities. The first four categories are explicitly identified as not being securities under the federal securities laws. Only digital securities, which the Release defines narrowly as tokenized versions of conventional financial instruments such as stocks or bonds, are identified as being subject to the federal securities laws on the cryptocurrency-asset basis.

Release definition of digital commodities is directly applicable to DGD's design. Release language defines a digital commodity as "a crypto asset intrinsically linked to and deriving its value from the programmatic operation of a functional crypto system, as well as supply and demand dynamics, rather than from expectations of profit." DGD satisfies the definition at the most fundamental level. DGD's value is intrinsically linked to and derives from the programmatic operation of the DGD protocol that the decentralized network of nodes operates. DGD's value derives from supply and demand dynamics, with the supply being fixed by the protocol's twenty-one-million-coin limit. DGD's value does not derive from expectations of profit because the protocol's framing is wealth preservation rather than profit expectation.

Release articulation of the fourth-prong standard is the standard DGD's design satisfies. Release language states that "representations or promises that generate reliance under Howey must be explicit and unambiguous as to the essential managerial efforts that the project team intends to undertake." DGD's design includes no such representations or promises. Foundation representations do not include essential managerial efforts. Foundation promises do not include ongoing efforts that any party will conduct that the protocol's operation depends on. Release standard is the standard DGD satisfies because the protocol's rules were set at inception, the development was completed before the distribution began, and the Foundation's posture is that of a distributor rather than an issuer.

12.6 The Atkins Safe Harbor and DGD's Alignment

Alongside the March 17, 2026 Joint Interpretive Release, SEC Chairman Paul Atkins announced a proposed regulatory framework that would provide tailored exemptions and a safe harbor for cryptocurrency offerings. Framework named Regulation Crypto Assets builds on the interpretive release issued the same day and on Commissioner Hester Peirce's prior Token Safe Harbor proposal. Framework provisions contemplate a startup exemption providing a time-limited registration exemption of up to four years for early-stage projects raising up to five million dollars, a fundraising

exemption removing the registration requirement for small-scale token sales under specified limits, and an investment contract safe harbor for issuers clarifying conditions under which tokens are not considered securities.

DGD's design satisfies the principles articulated in the framework without requiring operational reliance on the framework's safe harbors. Founder self-funding eliminates the condition that the startup exemption is articulated to address. DGD did not raise capital from the participants for development purposes and did not conduct a coin sale under any arrangement that the fundraising exemption would address. DGD's design is the condition that the investment contract safe harbor would establish for issuers who have completed their essential managerial efforts: the protocol's rules were set at inception, the development was completed before the distribution began, and the Foundation's posture is that of a distributor rather than an issuer.

12.7 The Fixed-Rules-at-Inception Commitment

Architectural foundation of DGD's legal posture is a deliberate commitment the founding team made at inception: the rules of the protocol were set before any participant acquired the coin, and those rules cannot be changed. This is not an emergent property of how the project happened to evolve. It is a design choice the founding team made explicitly, and it is the load-bearing element of every analysis the present section has developed.

Rules that were set at inception, and that cannot be changed, comprise the entire substantive specification of what DGD is and how it operates. They include the twenty-one-million-coin total supply; the 1,000-level distribution mechanism; the post-Level-1,000 continuation of the same level-by-level structure with no new coins to validate; the level-by-level price progression of 1.0352200547704 percent per level; the level-by-level account growth of 1.136518147 percent per level; the starting price of $3.40 at Level 1 and the ending price of $100,000 at Level 1,000; the $10 minimum entry threshold; the cooperating-venue exclusivity model that supports the single-price commitment; the absence of staking rewards combined with the systematic burning of all transaction fees; the Tor V3 integration; the 64-second block time; the dynamic block size architecture; and the four participation pathways including the supply-chain onboarding pathway introduced in this second edition.

Each of these rules was decided at inception. None of them can be changed. Founding team has bound itself, and has bound any successor to the project, by the commitment that the rules as set are the rules under which the network operates indefinitely. A participant who acquires DGD knows the rules in advance. A participant who chooses not to acquire DGD declines on the basis of rules they have been able to inspect before deciding. Decentralized community executes the design as set, or does not participate at all. There is no third option in which the rules are altered for the benefit of any party. This commitment is the answer to the "essential managerial efforts" prong of the Howey test, and to the analytical framework the March 2026 Interpretive Release has articulated.

12.8 The Inversion of Governance

Fixed-rules-at-inception commitment produces what the Foundation describes as the inversion of governance. Most cryptocurrency projects pursue decentralized governance as an aspirational target, often through coin-weighted voting mechanisms, foundation-led roadmap decisions, or core-developer consensus processes that distribute control across multiple parties. Aspirational targets are rarely achieved in practice. Competing fiefdoms that emerge from coin-weighted voting, the institutional capture that follows from foundation-led roadmap decisions, and the centralization that develops within core-developer groups have repeatedly compromised the decentralized-governance claims that prior cryptocurrencies have made.

DGD's commitment is the inverse. Decentralization of governance is not a target the project moves toward over time. It is the condition the project starts in, because there is nothing to govern. The rules were set at inception. The work was completed before distribution. Foundation analysts do not build new features. Foundation analysts do not modify the protocol. Foundation analysts do not exercise discretionary authority over what DGD becomes. Participants who acquire DGD acquire an asset whose specification is fixed and whose evolution is not subject to any party's ongoing decisions.

This is historic in cryptocurrency. No prior Layer-1 cryptocurrency has committed to the absence of ongoing managerial activity. Bitcoin has ongoing protocol-development governance through the Bitcoin Improvement Proposal process and the Core developer team. Ethereum has the Ethereum Foundation making roadmap decisions including the consequential Merge transition from Proof of Work to Proof of Stake. Every other major Layer-1 cryptocurrency operates with some form of ongoing managerial activity that determines how the protocol evolves. DGD is the first Layer-1 cryptocurrency to commit, by design, that there is no such activity. Total decentralization of governance follows from the absence of anything that requires governance.

12.9 The Foundation's Posture as Distributor, Not Issuer

Foundation posture in the distribution of DGD is analogous to the posture of an estate executor distributing donated property to beneficiaries who validate their participation through specific mechanisms.

Foundation analysts did not create DGD. DGD was created by the founding team at the founder's personal expense, with millions of dollars and many years of effort spent on the technical development before any participant acquired the coin. Founder donation of the completed coin went to the Foundation. Foundation is the custodian of the donation. Foundation distribution of the donation occurs as participants validate at each level. Foundation analysts do not, at any point, raise capital from participants for the purpose of building DGD. There is nothing left to build. Work was completed and donated before the distribution began.

This sequencing is important for the Howey analysis. Howey was developed to address arrangements in which investors fund an enterprise that the promoter then operates for the investors' benefit. DGD's distribution does not fit this template. Participants do not fund DGD.

DGD was funded at the founder's personal expense before any participant existed. Participants acquire portions of an already-completed asset at prices the community itself validates through the level-by-level mechanism. Foundation operates as the conduit for the distribution. Participants serve as the validators of the distribution. There is no party in the structure that operates DGD for the participants' benefit, because the protocol operates autonomously and the rules under which it operates were set at inception.

Foundation subsequent funds, derived from the coin sales the level-by-level distribution produces, are not used to operate DGD. They are used to fund the Foundation's legislative, self-regulatory, and supply-chain onboarding mission, which is the subject of Section 13.

12.10 Limitations of This Analysis

Foundation position that DGD is not an investment contract is a reasoned legal analysis, not a guarantee. Application of the Howey test to specific digital assets has produced inconsistent outcomes in litigation. Regulatory interpretations evolve across administrations and across staff configurations. A regulator who reviewed DGD's structure could reach a different conclusion than the Foundation's, particularly if specific facts about DGD's operation or marketing diverged from the commitments described in this paper. The Foundation's analysis applies United States securities law standards; the regulatory frameworks of other jurisdictions could differ.

Foundation commitment is to maintain DGD's operation in alignment with the commitments that support the non-security analysis. Foundation analysts will not characterize DGD as an investment that will appreciate through the Foundation's efforts. Foundation analysts will not raise capital from DGD distribution to fund ongoing protocol development. Foundation analysts will not exercise discretionary authority over DGD's value or its monetary policy. These commitments are documented and the Foundation's adherence to them is part of the empirical record that the Foundation's legal posture depends on. Full analysis, including the engagement with Hughes Hubbard and Reed and the framing developed in consultation with former SEC Commissioner Roel Campos, is presented in Chapter 16 of the companion volume *Digital Gold (DGD) is Perfect Money*.

13. The Digital Gold Foundation

13.1 Structure and Mission

DGD's Digital Gold Foundation is established as a self-regulatory organization for the cryptocurrency industry, modeled in structure on the role that the Financial Industry Regulatory Authority plays in the securities markets. Foundation analysts do not build DGD. Foundation analysts do not maintain DGD as software. Foundation analysts do not exercise discretionary authority over how DGD operates. Work that produced DGD was completed at the founder's personal expense before any participant acquired the coin, and the rules under which DGD operates were set at inception and cannot be changed. Foundation role, distinct from anything that affects DGD itself, is to advance the broader monetary-reform agenda that the Digital Gold Standard

Benchmark and the Crypto Fair Value framework support and to fund the supply-chain onboarding work that DGD's monetary function operationally requires.

Foundation mission comprises six operational components, each of which is funded by the proceeds the level-by-level distribution generates. Funds are not used to operate DGD. They are used to conduct the Foundation's work in the following six areas.

Legislation that promotes the DGSB and the CFV. Foundation analysts pursue federal and state legislation that recognizes the Digital Gold Standard Benchmark and the Crypto Fair Value framework as the analytical apparatus through which Layer-1 cryptocurrencies are evaluated. Legislative work includes model statutes for state-level adoption, regulatory comment submissions to federal agencies, and the institutional advocacy that makes the framework available to legislators, regulators, and judges who would otherwise lack access to a defensible analytical framework for the cryptocurrency space.

Centralized exchange transparency requirements. Foundation analysts pursue legislation that requires centralized exchanges to publish Merkle tree verification of their reported holdings, so that the adoption numbers exchanges report can be independently audited rather than asserted. Legislative provisions include prohibition of wash trading and other forms of volume inflation, mandatory third-party auditing of reported transaction counts and transaction values, and the disclosure standards that make exchange-reported metrics actually reliable for analytical use. Such work addresses the fact that exchange-reported metrics in the contemporary cryptocurrency space are systematically corrupted by self-reporting incentives, and that the framework's usefulness depends on the underlying metrics being reliable.

Payment-rail access for Layer-1 coins. Foundation analysts pursue legislation that prohibits the payment-rail oligopolies (Visa, Mastercard, the bank-card networks, and the platform payment processors that operate within their licensing structures) from refusing service to Layer-1 cryptocurrencies on a discriminatory basis. Legislative language establishes that Layer-1 coins satisfying defined criteria are entitled to access the payment infrastructure on the same terms as fiat currencies, and that the oligopolistic exclusion of cryptocurrency from established payment rails is an antitrust matter that requires legislative correction.

Self-regulatory body operations. Foundation analysts act as the cryptocurrency industry's self-regulatory body, in the same operational sense that FINRA acts for the securities markets. Foundation publication of standards for member exchanges includes audits compliance with those standards, and provides the institutional accountability that the cryptocurrency space has lacked since its emergence. Self-regulatory function operates independently of the legislative function and operates through voluntary membership rather than through statutory authority, though the legislative agenda described above will, if successful, provide statutory backing for the self-regulatory standards the Foundation establishes.

Payment-rail acceptance for DGD and DGD-favored coins. Foundation analysts pursue operational acceptance of DGD and other Layer-1 coins that satisfy the framework's criteria onto the established payment rails. Such work involves the regulatory advocacy described above, the technical integration work that payment-rail operators require, and the institutional partnerships through which Layer-1 coin acceptance can be implemented at the operational level. Objective is the practical capacity for a participant to use DGD and other framework-favored coins for the same purposes the participant currently uses fiat currency at the consumer-to-merchant layer.

Supply-chain onboarding. Foundation analysts fund the multi-year work of penetrating real-economy supply chains link by link, region by region, and sector by sector, through the supply-chain onboarding pathway described in Section 10. This is the operational mechanism by which DGD becomes money in the supply-chain sense Section 9 developed. Work funding comes from the unvalidated-coin treasury that accumulates under Section 5.5, plus whatever Foundation-controlled reserves the institutional architecture maintains. Operationally, the work is expected to span a decade or longer, with the geographic and sectoral concentration described in Section 9.4 determining the operational sequencing.

Each of these activities is funded by the proceeds of the level-by-level distribution. Foundation budget is published annually, and the allocation across the six activity areas is documented so that participants and observers can verify the funds are being used for the stated mission. Foundation analysts do not allocate funds to DGD's development, because there is no DGD development to fund. The work that produced DGD was completed before the distribution began, and the protocol now operates autonomously through the decentralized network of nodes.

13.2 The Reproduction Commitment

Foundation data infrastructure operates under a reproduction commitment that mirrors the discipline developed in the broader analytical literature. Every monthly CFV recalculation must be reproducible by any third party with access to the same underlying source data. The Foundation publishes:

Four metric measurements with their numerical values, source attribution, and methodological notes.

Cross-provider validation results for the Annual Transaction Value metric, where multiple independent on-chain analytics providers contribute figures and the divergence among them is explicitly documented.

Intermediate calculations (the four ratios, the weighted Composite Score, the Crypto Fair Value, the Fair Coin Price) at each step of the four-step procedure.

Any methodological choices made at the Foundation's discretion, with the reasoning supporting the choice.

Foundation commitment is that any third party applying the published methodology to the published source data will arrive at the published Fair Coin Price within the publication-grade tolerances developed in the analytical literature: plus or minus 0.005 on the Composite Score, plus or

minus one percent on the Fair Coin Price, plus or minus one percentage point on any reported Margin of Safety.

13.3 The Funding Flow

Foundation operating budget is funded entirely from the proceeds of the level-by-level distribution described in Section 5. As participants validate at each level, the dollars they pay for the per-member share of DGD allocated to that level flow to the Foundation.

Funds are used for the six mission activities described in Section 13.1. Foundation analysts publish the budget annually and reports the allocation across the six mission areas so that the funding flow can be verified by participants and observers.

No portion of the Foundation's funds is used to develop DGD, modify DGD's protocol, or alter the rules under which DGD operates. The rules were set at inception and cannot be changed. Foundation work is the broader monetary-reform agenda the framework supports and the supply-chain onboarding work that DGD's monetary function requires, not the operation of DGD itself, which proceeds autonomously through the decentralized network of nodes.

14. Community-Driven Validation and Price Discovery

14.1 Consensus-Based Pricing

DGD rejects the speculative chaos of exchange-driven pricing. Instead, its value during the 1,000-level distribution period is established through community-driven validation, in which price advances are confirmed by the collective participation of network members. At each of the 1,000 levels, community members validate the proposed price advance (1.0352200547704 percent per level) by paying that price for the per-member share of DGD allocated to the level. Voluntary payment at the level price constitutes the validation.

Validation tethering is to concrete metrics: the number of participating accounts (reflecting adoption breadth), transaction volume and value (reflecting economic activity and supply-chain circulation depth), developer engagement (reflecting technical vitality), and network security (reflecting trust). Community assessment of these indicators occurs at each level, and the level advances only when the participants' voluntary payments confirm the proposed price.

14.2 Volatility Reduction

Participatory framing structurally reduces volatility. Bitcoin's bid/ask pricing produced a drop from approximately $69,000 in late 2021 to approximately $16,000 in late 2022, then a recovery to higher levels through 2023 and 2024. By contrast, DGD's price advances are incremental, predictable, and tied to measurable network growth. A 1.0352200547704 percent rise per level is a modest adjustment that avoids the chaos of market-driven spikes and crashes. This stability fosters confidence among users, from consumers making daily purchases to businesses integrating DGD into supply chains.

The stability is also what makes the supply-chain circulation Section 9 argued operationally possible. A merchant who accepts DGD knows that the DGD's value will not move adversely while the merchant holds it for the time required to pay the wholesaler. A wholesaler who accepts DGD knows the same. Chain operation can run because the volatility that would force conversion at each link is absent by design.

Framework analysts do not, however, claim that DGD's price will never decline. Beyond Level 1,000, the monthly CFV recalculation will reflect the actual measured fundamentals. If those fundamentals deteriorate, the Fair Coin Price will decline accordingly. Volatility reduction operates by replacing speculative noise with fundamentals-tracking signal, not by suppressing the underlying signal itself.

15. Commercial Viability

Aspiration to perfect money requires the practical capacity to facilitate the flow of commerce with the ease and reliability of physical cash. Bitcoin, with its approximately seven base-layer transactions per second and historically variable median fees, is structurally constrained as a medium of daily exchange. Visa processes hundreds of millions of transactions daily across its global network. A cryptocurrency that aspires to function as money must be capable of comparable scale.

DGD's vision is to permeate every layer of trade, with the supply-chain circulation Section 9 developed as the operational completion of monetary function.

Consumer-to-merchant. Instant, near-free transactions for everyday purchases, from groceries to services. This is the first layer at which DGD enters the participant's commercial life.

Merchant-to-wholesaler. Merchants accept DGD from the consumer and pay wholesalers in DGD without conversion to dollars. This is the first link in the supply-chain circulation that distinguishes DGD's monetary function from the merely-transactional function of other cryptocurrencies.

Wholesaler-to-manufacturer. Wholesalers accept DGD from the merchant and pay manufacturers in DGD. Chain operation continues.

Manufacturer-to-raw-material-supplier. Manufacturers pay raw-material suppliers in DGD, with the raw-material supplier holding DGD for subsequent payment to workers and landowners.

Raw-material-supplier-to-workers-and-landowners. Terminal links in the chain, where the DGD reaches the workers whose labor produced the value and the landowners whose resources the chain transformed.

Business-to-business beyond the supply chain. Reliable settlement for service providers (legal, accounting, consulting), for infrastructure providers (logistics, telecommunications, software-as-a-service), and for the broader business relationships that the supply chains depend on.

Peer-to-peer. Private, censorship-resistant transfers between individuals anywhere in the world.

DGD's technical specifications (64-second block times, dynamic block sizes, Segregated Witness integration, and fees of 0.00001 DGD per transaction) make it practical for these use cases. Its global accessibility, enabled by internet connectivity including satellite services, ensures that a farmer in a rural region, a merchant in a developing economy, or a manufacturer in any jurisdiction can transact as easily as urban users in developed economies.

CFV model presumption is that by Level 1,000, DGD's transaction volume and value will match the DGSB benchmarks of approximately 6.09 billion annual transactions and $13.49 trillion in annual transaction value. Achieving these metrics requires DGD to become a preferred currency for real-world commerce, with supply-chain circulation operating across enough sectors and geographies that the cumulative transaction counts and values reach the benchmark levels. As Section 4.3 acknowledges, the metric-scaling presumption is conditional rather than guaranteed; the actual Fair Coin Price at Level 1,000 will reflect whichever of the four metrics actually scales to the benchmark levels.

16. Global Accessibility

True measure of a currency's worth lies in its ability to serve as a universal medium of exchange, accessible to all regardless of geographic or economic barriers. DGD is designed for global accessibility from inception. Its open-source software can be downloaded and run by anyone with internet connectivity. Proliferation of satellite internet services ensures that even the most remote regions can participate in the network.

Goal is adoption comparable to major fiat currencies (the dollar, euro, and yen) but without centralized control. Dollar's role in the majority of global foreign exchange transactions demonstrates the demand for a universal medium. DGD aims to serve that demand with the additional benefits of decentralization, privacy, low cost, and immunity from governmental manipulation.

Combination of global accessibility with the tens-of-millions-of-nodes decentralization vision described in Section 7 and the supply-chain circulation described in Section 9 produces a network architecture that no centralized authority can effectively interdict, and that operates as money rather than as a payment instrument in every region where the supply-chain work has reached operational completion. A network distributed across consumer hardware in jurisdictions worldwide, supported by satellite connectivity for areas without conventional infrastructure, and operating as a circulating currency across regional supply chains presents structural decentralization and monetary properties that no prior monetary system has possessed.

17. Comparative Analysis: DGD and Bitcoin

DGD does not seek to displace Bitcoin but to complement it, offering a currency suited to the practical exigencies of daily exchange and supply-chain circulation while Bitcoin serves as a store of value. Structural comparison is informative.

Both have a total supply of 21 million coins. Bitcoin's maximum circulating supply is 21 million. DGD's maximum circulating supply is 19 million, with 2 million permanently locked in the treasury for staking.

Bitcoin uses Proof-of-Work consensus exclusively. DGD upgraded the Bitcoin Proof-of-Work code to a Blackcoin Proof-of-Stake model. There are no staking rewards in DGD because the model has been modified at the protocol level so that no new coins are issued through staking activity, and all transaction fees are burned to produce slight ongoing deflation.

Bitcoin block time is approximately 10 minutes. DGD block time is 64 seconds.

Bitcoin transaction fees are variable and have historically reached high levels during periods of network stress. DGD transaction fees are fixed at 0.00001 DGD and are burned, reducing the circulating supply over time.

Bitcoin staking does not exist; Bitcoin uses mining only. DGD staking exists for network security but produces no rewards, because no staking rewards exist as a protocol output.

Bitcoin offers pseudonymity through the public ledger but no native privacy infrastructure. DGD integrates Tor V3 Onion Network addresses natively for encrypted, anonymous transactions.

Bitcoin's valuation method is bid/ask exchange pricing across competing venues. DGD's valuation method is the CFV formula applied to measured fundamentals, with the resulting price published uniformly across cooperating venues. This is the structural difference that produces the supply-chain circulation distinction Section 9 developed. Bitcoin's bid/ask pricing forces merchants accepting Bitcoin to convert to dollars at the first opportunity; DGD's single-price model permits merchants to hold DGD and pay suppliers in DGD without the conversion. Result is that Bitcoin functions as a store of value and a one-step payment instrument, while DGD is designed to function as money across the full supply chain.

Bitcoin distribution occurred through mining, with substantial early-miner concentration. DGD distribution occurs through equal per-level Proof-of-Participation, structurally preventing whale accumulation.

Bitcoin operates an energy-intensive Proof-of-Work mining infrastructure. DGD operates a distributed and more energy-efficient hybrid model.

Bitcoin's primary role has emerged as a store of value. DGD's primary role is designed as a medium of exchange and a circulating currency across supply chains. Two roles are complementary rather than competitive. A holder may reasonably hold Bitcoin as a long-duration store of value while using DGD as the operational currency in commerce.

18. DGD Within the CFV Framework

DGD occupies a distinct position within the analytical framework documented in the broader corpus. Framework development addressed the existing universe of Layer-1 cryptocurrencies, each of which has a market price set by exchange trading and a Fair Coin Price calculated by the CFV formula, with the gap between the two producing a Margin of Safety that governs allocation discipline.

DGD is structurally different from these other coins. By design, DGD has no market price separate from its Fair Coin Price. Price published to the Explorer and displayed across cooperating venues is the Fair Coin Price itself, set by the validation process during the 1,000 levels and by the monthly CFV recalculation thereafter. Gap between market price and Fair Coin Price (the Margin of Safety as the framework defines it for other coins) is structurally zero for DGD.

This is not a defect. It is the deliberate consequence of the design. Margin of Safety in the framework's analytical apparatus is the cushion that absorbs the analytical error that arises when the framework computes a Fair Coin Price for a coin whose market price is independently determined by speculation, sentiment, and trading dynamics. DGD's design eliminates the source of that analytical error by eliminating the independent market price. Trade-off is explicit: DGD eliminates speculative downside risk by also eliminating the speculative gap that the Margin of Safety represents on other coins.

A holder of Bitcoin is taking a position on the gap between Bitcoin's market price and the framework's computed Fair Coin Price. A holder of DGD is taking a position on the underlying network fundamentals (adoption, transactions, transaction value, developer ecosystem) without the Margin of Safety cushion that the gap provides for other coins. If DGD's fundamentals strengthen, the published price will rise on the next monthly CFV recalculation. If the fundamentals deteriorate, the published price will fall on the next monthly CFV recalculation. The holder bears the impact of fundamentals directly, without the buffer that exists for coins whose market prices include the gap.

Supply-chain circulation arguments developed in Section 9 changes the analytical posture toward DGD in one further respect. Because three of the four metrics (Adoption, Annual Transactions, Annual Transaction Value) respond directly to supply-chain depth, DGD's price trajectory after Level 1,000 is principally determined by how successfully the supply-chain onboarding work proceeds. A holder of DGD is therefore taking a position on the Foundation's institutional capacity to execute the supply-chain onboarding work across the decade horizon, with the operational outcome of that work being the principal determinant of DGD's price trajectory.

This is the honest characterization of DGD's analytical position within the framework. DGD is a different category of cryptocurrency than the twelve tracked coins in the framework's admitted universe. The investment thesis is different. The risk profile is different. The mechanism of value preservation is different. The framework's analytical apparatus applies to DGD with these structural distinctions explicitly noted, and any participant evaluating DGD against the framework's discipline should integrate the distinctions into their allocation reasoning.

Broader framework remains the analytical foundation. DGD's admitted status under the framework depends on its satisfaction of the architectural test (own blockchain, own native wallet, own native coin) and the gating pillars (Scarcity, Free Adoption, Decentralized Governance, Freedom to Transact, Adequate Circulation). DGD satisfies all of these by design. Structural difference between DGD's single-price model and the bid/ask pricing of other admitted coins does not affect the architectural or pillar-based admittance. It affects only the operational application of the Margin of Safety discipline as the framework specifies it for coins with independently determined market prices.

19. Conclusion: Perfect Money for a Digital Age

Federal Reserve Note has lost more than ninety-six percent of its purchasing power since 1913. Its managers describe two percent annual inflation as stability, but a policy that reduces the dollar's purchasing power by half every thirty-five years is not stability. It is systematic confiscation conducted below the threshold of political outrage.

Bitcoin demonstrated that a decentralized, permissionless, code-enforced monetary system is possible. But Bitcoin's capture by Wall Street institutions through ETFs, its extreme volatility, its energy-intensive mining, and its impracticality for everyday commerce have limited its role to a store of value rather than a medium of exchange. The broader cryptocurrency market has remained a speculative arena without a fundamental valuation framework, where every coin's price moves principally in response to Bitcoin's trajectory.

Digital Gold (DGD) is designed to change this. DGD satisfies the six pillars of perfect money:

Scarcity. 21 million coins, premined at inception, with no staking rewards as a protocol output and all transaction fees burned. No mechanism for future issuance, with slight ongoing deflation produced by continuous fee burning.

Stable Pricing. Community-validated pricing across 1,000 levels, then monthly CFV recalculation thereafter, with the published price determined by the formula rather than by speculative trading. The stability is what makes supply-chain circulation operationally possible.

Free Adoption. Voluntary participation, with no legal compulsion and an equitable distribution model that prevents concentration.

Decentralized Governance. On-chain community consensus for level validation and monetary policy, with no central authority capable of unilaterally altering the price-setting mechanism. The rules were set at inception and cannot be changed.

Freedom to Transact. Tor V3 privacy, censorship resistance, and self-sovereign operation through open-source full nodes deployed at the tens-of-millions-of-nodes scale described in Section 7.

Adequate Circulation. 64-second blocks, dynamic block sizing, near-zero burned fees, and a Proof-of-Participation model that rewards use over hoarding. And, structurally most important, the supply-chain circulation argument developed in Section 9 and the supply-chain onboarding pathway

introduced in Section 10. DGD is designed not merely to transact, but to circulate across the full supply chain that real economic activity comprises.

Structural innovations distinguish DGD from every other cryptocurrency. Single-price model enforced through cooperating-venue exclusivity agreements eliminates the bid/ask volatility that forces other cryptocurrencies to be converted at the first opportunity. Supply-chain onboarding pathway operationalizes the multi-year work that monetary function requires. Decentralization architecture engineered for tens of millions of nodes provides structural protection that no smaller network can match. Legal structure designed from inception to fall outside the investment-contract definition under the Howey test enables operation without the regulatory friction that securities-classified digital assets face. And the donation of the completed coin to the Foundation, with development funded personally by the founder, structurally separates DGD's value creation from any central party's ongoing efforts.

DGD's valuation is anchored in the Digital Gold Standard Benchmark, a fixed objective reference point derived from the fundamentals that the world's most powerful financial institutions valued at $1.983 trillion in December 2024. Its distribution is governed by a 1,000-level system that ensures every participant receives an equal share at every stage of growth. Its technical architecture is optimized for the commercial transactions that a functioning currency must facilitate. Its supply-chain onboarding pathway funds the patient work of penetrating real-economy supply chains link by link.

Austrian economists taught that money emerges from voluntary adoption based on genuine utility, that monetary monopoly leads inevitably to debasement, and that the only sustainable solution is competition among private currencies. Digital Gold is that competition. It does not ask for permission from governments or endorsement from Wall Street. It asks only to be measured by its fundamentals, valued by its utility, and adopted by the voluntary choice of the people who use it for the full range of economic activity their lives comprise.

Framework that supports DGD's analytical foundation is itself committed to the same empirical accountability that distinguishes serious analytical work from advocacy. CFV methodology is reproducible. The Foundation's data is published in source form. Reproduction protocol applies to every monthly recalculation. Seventy percent Adoption weighting is the framework's principal commitment, and the protocol-versioning architecture explicitly permits revision if the operational record requires it. Framework will succeed or fail based on the empirical record across the coming years, and the Foundation has accepted that record as the authoritative measure of the framework's standing.

Work involved is what money has always required. Building money is not a quarter's task or a year's task. It is the multi-year, multi-decade work of supply-chain penetration, regional consolidation, and the patient persuasion of voluntary participants link by link. Foundation analysts have accepted that horizon. DGD's design has been calibrated to it.

Consider the dimensional-lumber chain that Section 9 developed. Homeowner enters the retail building-supply store and pays in DGD. Retailer pays the wholesaler in DGD. Wholesaler pays the mill in DGD. Mill pays the raw-lumber company in DGD. Raw-lumber company pays the choke setters in DGD, pays the helicopter team in DGD, pays the truckers in DGD, and pays the landowner who sold the standing timber in DGD. Landowner uses DGD for property taxes, for personal purchases, for the next standing timber acquisition, and for savings. When the chain runs in full, across enough sectors and geographies that the cumulative transactions and transaction values reach the Digital Gold Standard Benchmark, DGD has become money in the Austrian-economic sense. DGD has reached its zenith.

DGD's zenith is the work of a decade or longer. Foundation analysts have committed to that work and has built the institutional architecture that operates against the commitment. Participants whose validation produces the 1,000-level distribution, whose referrals expand the network's reach, whose promotional work supports the public conversation, and whose supply-chain onboarding completes the operational monetary function are the parties whose collective action determines whether the zenith is reached. Foundation analysts provide the infrastructure. Participants do the work. Framework measures the outcome.

Castles have been built in the air. Digital Gold is the attempt at placing a foundations under them.

Learn more at DigitalGoldFoundation.org and DigitalGoldX.com