

PaperHands (\$PHANDS)

Whitepaper

Version: 1.6

August 2026

PaperHands Development Team

Token Contract:

`0x11157Da1fC6dCfd58b50ed79082183b2c6176245` (Ethereum Mainnet)

Staking Contract:

`0x62fe22a9b954bc84fc6a74d889324fb40d13dce4` (Ethereum Mainnet)

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X: x.com/OfficialPHANDS | Telegram: t.me/phandsannouncement

Changelog

Version 1.6 (August 2026)

- Added a dedicated **Data Protection & GDPR Compliance** section to the whitepaper, detailing data collection, storage, retention, user rights, and contact information for data-related requests.
- Updated the project website to reflect the latest roadmap and whitepaper version.

Version 1.3 (July 2026)

- Deployed the final staking contract (0x62fe22a9b954bc84fc6a74d889324fb40d13dce4), replacing the July 19 interim version.
- Added an owner-gifted locked-stake mechanism (stakePHANDFor / stakeLPFor): the project can lock PHAND or LP tokens directly into a stake position on a contributor's behalf, funded from the project's own balance. This is used to guarantee that liquidity contributed through the community funding round (Section 7.2) is genuinely locked, rather than relying on the contributor to stake it themselves.
- Fixed a lock-bypass edge case: topping up an existing stake position now resets that position's lock period on the full (existing + new) balance, closing a gap where new deposits could inherit an already-expired lock.
- Split the LP staking lock period from the PHAND lock period: LP stakes now lock for 90 days (vs. 30 days for PHAND), reflecting that most LP stakes originate from the gifted, contribution-locked mechanism above.
- Redesigned the LP stake cap: self-service LP staking remains subject to an owner-adjustable global cap (20%-100% of LP total supply, default 100%), while owner-gifted stakes are exempt, since they are inherently distributed across many separate contributor addresses rather than concentrated in one.
- Introduced a separate, much lower minimum stake threshold for LP tokens (owner-adjustable), reflecting that LP token supply is orders of magnitude smaller than PHAND supply.

Version 1.2 (July 19, 2026)

- Deployed a second-generation staking contract (0xea2b0eebb56020ff6eb9dba6277fb47be8773b92), replacing the July 18 interim version.
- Introduced a dedicated, separately-held Rewards Treasury wallet: staking rewards are now paid out from this wallet rather than from the staking contract's own balance. As a result, the emergency-withdraw function has been removed entirely — the contract now only ever holds staked principal, so there is nothing for such a function to protect.
- Added an owner-adjustable, bounded per-wallet PHAND stake cap (2,000–10,000 PHAND, default 5,000) to keep pool capacity available to multiple participants rather than a single large staker.

- Made the LP staking cap owner-adjustable within a bounded range (20%–50% of LP total supply, default 30%), instead of a fixed 2%.
- Added cumulative on-chain tracking of total rewards paid out, for public verifiability against the tokenomics reward budget.
- Reduced the Team/Reserve vesting period from 24 months to 12 months.
- Updated the roadmap to reflect actual project progress and a revised timeline for community growth, renounce, and audit.
- Refreshed the project website: updated roadmap, removed stale liquidity figures in favor of live on-chain price data, adjusted marketing language.

Version 1.1 (July 18, 2026)

- Deployed a rebuilt, security-hardened staking contract, replacing the original staking contract.
- Fixed an unrestricted emergency-withdraw function that could have allowed withdrawal of staked user funds.
- Fixed a reward-accounting bug where unstaking one token type (PHAND or LP) could zero out unclaimed rewards accrued on the other.
- Added partial unstaking and per-type (PHAND / LP) auto-claim toggles.
- Corrected an LP token address misconfiguration in the staking dApp frontend.
- Launched an integrated dApp update: Swap, Stake, and Add Liquidity in a single interface.

Version 1.0 (October 9, 2025)

Initial release of the PaperHands (\$PHANDS) whitepaper.

1. Executive Summary

PaperHands (\$PHANDS) is an ERC-20 token launched on October 7, 2025, at address 0x11157Da1fC6dCfd58b50ed79082183b2c6176245 on Ethereum Mainnet. Redefining the “paper hands” meme, \$PHANDS offers staking (20% base APY, 30-day lockup on principal, rewards claimable at any time), 5% referral bonuses, and liquidity incentives on Uniswap V2 and Balancer PHANDS/WETH pools.

As of July 2026, the project has completed a full internal security review of its staking infrastructure and deployed its final staking contract at 0x62fe22a9b954bc84fc6a74d889324fb40d13dce4. Staking rewards are now paid from a dedicated, separately-held Rewards Treasury wallet rather than from the contract's own balance, and the contract's emergency-withdraw capability has been removed entirely as a result — the contract only ever custodies staked principal. Per-wallet and per-pool stake caps keep capacity accessible to multiple participants as the community grows.

Combined liquidity across Uniswap V2 and Balancer stood at approximately \$346 as of mid-July 2026, with 10 token holders. Ownership renounce of the token contract remains intentionally deferred until an initial community-building phase (a capped airdrop and referral campaign, detailed in Section 7) is complete, so that planned distributions can still be carried out. With an initial 1,000,000 \$PHANDS supply and anti-whale limits (2% max wallet, 1% max tx), the project continues to prioritize contract safety and transparency over speed of growth.

Note: liquidity and holder figures are a snapshot as of the publication date and will change over time. Refer to the live Uniswap/Balancer pool pages and Etherscan for current figures.

2. Problem Statement and Market Overview

Memecoins and DeFi face challenges such as whale dominance, premature selling, insufficient retail incentives, and — increasingly — unaudited or hastily-deployed smart contracts that put user funds at risk. \$PHANDS targets retail traders and meme enthusiasts seeking fair access and a project that treats contract security as a first-class concern rather than an afterthought.

Competitor	Strength	Weakness	\$PHANDS Approach
SHIB	Viral community	High inflation	Fixed initial 1M supply, transparent minting log
DOGE	Brand recognition	No staking	30-day principal lockup, on-chain reward accounting
PEPE	Low entry	Whale control	Anti-whale limits (2% max wallet, per-pool stake caps)

3. Solution

\$PHANDS combines staking incentives, referral rewards, and liquidity-provider bonuses with a security-first approach to contract development:

- **Staking:** 20% base APY (dynamically reduced as the staked ratio grows, to keep rewards sustainable), 30-day lockup on staked principal, with accrued rewards claimable at any time regardless of lockup status.
- **Dedicated Rewards Treasury:** rewards are paid from a separately-held wallet, not from the staking contract's own balance — see Section 4.1 for details.
- **Referrals:** 5% bonus on qualifying user activity, minted as new tokens under a capped, logged process.
- **Liquidity incentives:** bonus terms for early liquidity providers on the Uniswap V2 and Balancer PHANDS/WETH pools.
- **Unified dApp:** Swap, Stake, and Add Liquidity are available from a single interface (phands-staking-dapp.vercel.app).
- **Anti-whale mechanics:** 1% max transaction, 2% max wallet at the token level, plus owner-adjustable per-wallet and per-pool stake caps at the staking-contract level.

4. Technology

\$PHANDS is a Solidity ^0.8.20 ERC-20 token using OpenZeppelin libraries (ERC20, ERC20Pausable, Ownable), deployed at 0x11157Da1fC6dCfd58b50ed79082183b2c6176245 and verified on Etherscan.

4.1 Staking Contract — Architecture and Security History

The staking contract has gone through two security-driven revisions since its original deployment. The current version is verified at 0x62fe22a9b954bc84fc6a74d889324fb40d13dce4 (Etherscan and Sourcify). Its key design points:

- **Rewards Treasury model:** reward payouts are pulled (via an ERC-20 allowance) from a separate, dedicated wallet controlled by the project, not from the staking contract's own token balance. This means the staking contract itself only ever holds staked principal — it never accumulates a reward buffer that would need special protection. As a direct consequence, the contract has **no emergency-withdraw function of any kind**: there is nothing beyond staked user funds for such a function to act on, so the capability was removed rather than restricted.
- **Per-wallet stake cap:** an owner-adjustable, bounded (2,000–10,000 PHAND) limit on how much any single wallet may stake in the PHAND pool, keeping capacity available to multiple participants.
- **Per-pool LP stake cap:** an owner-adjustable, bounded (20%–50% of LP token total supply) limit on aggregate LP staking, protecting reward distribution from concentration by a single large liquidity provider.
- **Partial unstaking and independent auto-claim toggles** for PHAND and LP positions.

- **Separated reward accounting** per stake type, preventing one position's unstake from zeroing out unclaimed rewards on the other.

Two issues were identified and fixed during this process, prior to wider promotion of the staking product: an originally unrestricted emergency-withdraw function (superseded entirely by the Rewards Treasury redesign described above), and a reward-accounting bug where unstaking one token type could zero out unclaimed rewards on the other (fixed via separated per-type reward balances). Both prior contract versions are deprecated; no funds remain in them.

The 30-day lockup applies to staked principal only; accrued rewards can be claimed at any time via `claimRewards()`, independent of the lockup. A formal third-party audit (e.g. CertiK) is intended for Phase 3 of the roadmap (Section 7); in the interim, all contract versions have been open-source and verified, with fixes validated on a test network before mainnet deployment.

4.2 Key Functions (Token Contract)

- Transfers with 1% max transaction (10,000 PHAND) and 2% max wallet (except owner).
- Referral system: `setReferrer()` and `claimReferralBonus()` (5% bonus, owner-triggered, capped per transaction).
- Airdrop: batch distribution, max 20 recipients per call.
- Pause/unpause for emergency control (subject to eventual renounce — see Section 5 and Section 7).

4.3 Liquidity Pools (as of July 2026)

Venue	Pair	Approx. Value	Notes
Uniswap V2	PHANDS/WETH	\$168.86	18.35 LP tokens outstanding; stakeable in the dApp
Balancer	PHANDS/WETH (80/20)	\$177.53	~8.07k PHANDS / 0.0052 WETH

Target: continued organic growth of both pools, driven primarily by the LP-staking incentive program described in Section 7; no fixed liquidity target or timeline is guaranteed, given the project's early stage.

5. Tokenomics

- **Token Symbol:** \$PHANDS
- **Total Supply:** Initial 1,000,000 \$PHANDS (18 decimals), with owner-controlled minting reserved for airdrops and referral bonuses only.
- **Distribution:** Community/Staking/Airdrops 50% (500,000); Liquidity Pools 20% (200,000); Team/Reserve 25% (250,000, **12-month vesting**); Ecosystem/Marketing 5% (50,000).
- **Allocation tracking:** due to the token contract's 2% max-wallet rule (see Section 4.2), large allocations such as Team/Reserve and Ecosystem/Marketing cannot be physically segregated into their own wallets without exceeding that limit. These allocations are therefore held within the project's primary wallet and tracked via an internal ledger rather than on-chain wallet separation. The Staking Rewards Treasury (Section 4.1) is a separate wallet, since it is funded in smaller, incremental amounts that remain under the 2% cap.
- **Holders:** 10 as of July 2026, including the project's primary treasury wallet.
- **Ownership renounce:** intentionally deferred until the community-building phase (Section 7, Phase 2b) — onboarding the first core holders and processing their referral chains — is complete, so that these distributions can still be carried out. No fixed calendar date is set beyond the roadmap in Section 7.
- **Mechanisms:** anti-whale limits (1% transaction, 2% wallet) at the token level; owner-adjustable per-wallet and per-pool stake caps at the staking-contract level; no built-in burn.

6. Team

The PaperHands project is currently led by a solo founder/developer under the PaperHands Development Team, focused on hands-on smart contract development and a security-conscious approach to DeFi mechanics.

Links: X: x.com/OfficialPHANDS | Telegram: t.me/phandsannouncement

7. Roadmap

Phase	Timeline	Milestones
Phase 1: Launch	Oct 2025 (completed)	Token deployed; initial Uniswap/Balancer pools created; original staking dApp live.
Phase 2a: Security Hardening	Jul 2026 (completed)	Full internal review of the staking contract; two issues identified and fixed. Second-generation staking contract deployed.
Phase 2b: Community Foundation	Q3–Q4 2026	Capped, wave-based airdrop and referral campaign (target: 50–100 core participants) to onboard community.

Phase 3: Stabilization & Renounce	Q1–Q2 2027	Ownership renounce on the token contract once Phase 2b distributions are complete. Third-party
Phase 4: Expansion	H2 2027+	DeFi integrations; broader holder base; potential governance exploration.

7.1 Community Airdrop & Referral Program (Phase 2b)

To build an initial, genuine holder base without overwhelming the project's current liquidity depth, the Phase 2b campaign is deliberately capped and staged:

- **Hard participant cap:** a fixed number of participants (order of magnitude: 50–100), enforced by closing registration once the cap is reached, rather than distributing rewards to an unlimited number of sign-ups.
- **Staged waves:** registration opens in multiple waves spaced 1–2 weeks apart rather than all at once, keeping review and payout workload manageable.
- **Base tasks:** Telegram/X community engagement and direct referrals, verified primarily through platform-native signals (Telegram invite-link statistics, on-chain referral registration) rather than self-reported claims where avoidable.
- **LP-staking bonus tiers:** larger rewards for participants who add liquidity and stake the resulting LP tokens for a minimum period, directly growing pool depth rather than only distributing tokens.
- **Vesting:** base rewards are split between an immediate portion and a delayed portion (paid a few weeks later), reducing simultaneous sell pressure on the current liquidity pools.
- **Data minimization:** registration data (wallet address, campaign task-completion status) is held off-chain in a project-internal record, not on public infrastructure beyond what participants themselves already post publicly (e.g. their own social media posts), and is deleted a fixed period after the campaign concludes and payouts are finalized.
- **No guarantee clause:** the project reserves the right to audit submissions after the fact and revoke rewards found to be fraudulent (e.g. duplicate participants funded from a single source wallet).

Reward tokens for this program are drawn from the Community/Staking/Airdrops allocation (Section 5), not from the Liquidity Pool allocation.

Data Protection & GDPR Compliance

- **Data Collected:** Telegram user ID (for identification and participation tracking), Ethereum wallet address (for reward distribution), referral codes and relationships (for the referral system), and campaign task-completion status (for eligibility verification).
- **Purpose of Processing:** All data is collected exclusively for the purpose of managing the airdrop campaign, verifying task completion, and distributing rewards to eligible participants.
- **Legal Basis:** Participation in the campaign constitutes explicit consent to the collection and processing of the above data for campaign-related purposes.
- **Data Minimization:** Only the minimum data necessary for campaign operations is collected. No names, email addresses, or other personally identifiable information is requested or stored.

- **Data Storage:** All participant data is stored off-chain in a local, encrypted SQLite database. Data is never shared with third parties or published on public infrastructure.
- **Data Retention:** Participant data will be deleted within 30 days after the campaign concludes and all reward payouts are finalized. A fixed retention period is enforced to ensure compliance with the right to erasure.
- **User Rights:** Participants have the following rights regarding their data: Right to Access (request a copy of all stored data), Right to Rectification (request correction of inaccurate data), Right to Erasure (request deletion of all data at any time), and Right to Withdraw Consent (withdraw consent for data processing at any time). All requests will be processed within 7 business days.
- **Data Security:** Data is stored in an encrypted database with restricted access. Only the project administrator has access to the database. All reasonable technical measures are taken to prevent unauthorized access, loss, or alteration of data.
- **Contact:** For any data-related requests or questions, please contact: zsoltasp74@gmail.com

7.3 LP Staking Referral Incentive (Early-Bird)

Separately from the token-level swap referral described in Section 4.2 (a standing 5% bonus on qualifying swap activity), the project offers a time-limited referral incentive tied specifically to the community funding round (Section 7.2): anyone who brings a new participant who stakes LP tokens for the full 90-day LP lock period (Section 4.1) receives a one-time reward, subject to the caps below.

- **Scope:** applies only to LP staking (90-day lock), not PHAND staking (30-day lock), since LP staking directly deepens pool liquidity.
- **Reward cap per referral:** 5% of the referred stake's value, calculated on a maximum of \$200 of that stake — capping the per-referral reward at roughly \$10 worth of PHAND, regardless of how large the actual contribution is. This prevents a single large deposit from disproportionately draining the program.
- **Program-wide cap:** a fixed total budget of 5,000 PHAND, paid first-come, first-served; the program closes automatically once this budget is exhausted, regardless of time remaining in the funding round.
- **Timing:** valid through the end of the current community funding round (or until the program-wide cap is reached, whichever comes first); the rate and availability of this incentive may change for future rounds.
- **Payout timing:** paid promptly once the referred participant's qualifying stakeLP transaction is confirmed on-chain — there is no need to wait out the 90-day lock, since the lock itself is already enforced by the staking contract.
- **Verification:** the referred participant records the referral permanently on-chain using the "Set Referrer" field in the dApp (which calls the token contract's `setReferrer` function). The referral is then reported via Telegram, and the project verifies both the referral link and the LP stake on-chain via Etherscan before paying out.

- **Anti-abuse:** because the reward is capped and tied to a genuinely locked stake, attempting to farm this incentive with multiple wallets requires locking real capital in each one for 90 days, for a reward capped at roughly \$10 per wallet — a cost that outweighs the reward in most cases. The project also reserves the right to review funding sources behind suspicious clusters of referrals and withhold payment where abuse is evident.

Full, current terms are published at kozak26hu.github.io/Webpage/referral.html.

7.2 Community Funding Round (Liquidity Growth)

Ahead of the Phase 2b airdrop campaign, the project runs a transparent, on-chain community funding round aimed specifically at deepening pool liquidity, using Juicebox (juicebox.money), a purpose-built Ethereum crowdfunding protocol. Contributors send ETH to a public, on-chain project treasury; there is no automatic token issuance tied to the contribution.

- **Use of funds:** contributed ETH is paired with PHAND from the project's own holdings and added to the Uniswap V2 liquidity pool, deepening trading liquidity for all holders.
- **Contributor reward:** in return, contributors receive a proportional LP-token position, locked directly into the staking contract on their behalf via the owner-gifted stake mechanism (Section 4.1) — not sent to their wallet as freely transferable tokens. This guarantees the contribution genuinely adds to locked liquidity rather than being immediately resold.
- **Per-wallet cap:** contributions are capped per wallet to avoid a single contributor dominating the round.
- **Duration:** a single funding cycle of roughly 4–6 weeks.
- **Regulatory note:** this is structured as a liquidity contribution with an LP-token reward, not a public offer or sale of the PHAND token itself. Scale is kept small and reviewed against applicable EU MiCA thresholds for public offers of crypto-assets.

8. Risks and Mitigation

- **Market Risk:** memecoin volatility — partially offset by staking rewards, not a substitute for price stability.
- **Liquidity Depth Risk:** current combined liquidity (~\$346 as of July 2026) is small; large token distributions (e.g. airdrops) are deliberately capped and staged (Section 7.1) to avoid disproportionate price impact if recipients sell.
- **Technical Risk:** smart contract bugs. Two issues were identified and fixed in the staking contract during an internal review prior to wider promotion (Section 4.1); all contract versions are open-source and verified. A formal third-party audit is planned for Phase 3 (Section 7), not yet completed.
- **Centralization Risk:** the token owner currently retains minting and pause capability. The staking contract owner retains the ability to adjust stake caps and the Rewards Treasury address, within bounded, hard-coded ranges. This is disclosed openly; token-contract renounce is planned per Section 7, not immediately, so that planned distributions can be completed first.
- **Key Person Risk:** project operations currently depend on a small development team; continuity in the event of key person unavailability is not separately guaranteed.
- **Regulatory Risk:** EU MiCA compliance — transparent design, legal consultation ongoing.
- **Adoption Risk:** slow growth — addressed via a capped referral and airdrop program rather than uncontrolled, unlimited distribution.
- **Inflation Risk:** owner-controlled minting for referrals/airdrops only, logged and capped; to be fully eliminated via renounce once Phase 2b is complete.

9. Legal Disclaimer

This whitepaper is for informational purposes only and does not constitute financial, investment, or legal advice. \$PHANDS carries risks, including potential total loss due to market volatility and its early stage of development. The project aims for compliance with EU MiCA regulations (2024). No guarantees of returns are provided. Conduct your own research (DYOR) and consult professionals. The team is not liable for losses.