‹› LitShares

REVENUE-BASED FINANCING ON LITVM

Shares in the revenue of on-chain projects

LitShares is a protocol where a LitVM project with real zkLTC revenue raises capital by selling shares in its future revenue. Shareholders receive their part of that revenue automatically. Smart contracts enforce the payouts, not the team's promises.

LitVM LiteForge testnet | native zkLTC | no project token | no admin access to funds

What it is and why it matters for the ecosystem

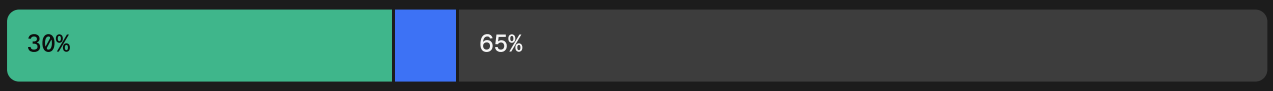
The category is **revenue-based financing**: funding against future revenue instead of selling equity, issuing a token or taking a loan. A project that already earns fees in its LitVM contract routes part of that flow to its shareholders.

For LitVM this means three things. Ecosystem projects raise capital without launching a separate token. Users get a yield-bearing asset tied to real fees, not to emissions. zkLTC gains a use as the currency of investment, payouts and loans.

Where project revenue goes

Every project payment is split in the same transaction

example: 30% to shareholders



Shareholders	LitShares protocol	Project creator
10% to 95%, set by the project	fixed 5%	the remainder

How it works

01 **The project opens a pool**

It registers the project (ProjectNFT) and creates a pool through PoolFactory. It sets the revenue share for holders and a minimum payout per 30-day epoch, and locks a bond worth 6 of those minimums. It points its contract's fee recipient at the RevenueSplitter. Creating a pool costs 1 zkLTC.

02

Fair launch

For the first 24 hours everyone deposits zkLTC and gets shares at the same price, up to 5 zkLTC per wallet. No bots, no race for the first block. A keeper bot then credits every participant's shares.

03

Trading on a curve

After that, shares are bought from and sold back to the pool itself on a bonding curve: each share bought raises the price of the next. Holders can sell at any time without needing a counterparty. The trading fee is 1%. A cap on purchases per 24 hours holds back whales.

04

Payouts to holders

Project revenue arrives at the RevenueSplitter and is split automatically. The holders' part streams out evenly over 7 days, pro rata to shares held. Holders can claim it, reinvest it into shares, or do nothing: the keeper sends accrued dividends to their wallets.

05

Guaranteed minimum

At the end of each epoch the contract checks the payout against the promised minimum. The bond covers any shortfall. If the bond drops below 4 minimums, or the project redirects its fees elsewhere for more than 72 hours, the pool enters Default: the rest of the bond goes to holders and exits become free.

06

Exit

Instant sale with an early-exit penalty: 10%, falling to 2% over 90 days. The penalty goes to the remaining holders (60%), the insurance fund (20%) and the protocol (20%). The alternative is unbonding: a 2-day wait with no penalty. The creator's shares are locked for 90 days, then vest linearly over another 90.

07

Loans against shares

Holders can borrow zkLTC against their shares without selling them. Loans are peer-to-peer: one lender against one borrower, on terms the lender sets. The collateral stays in the pool and keeps earning dividends, which pay the debt down on their own. At 60% LTV, at maturity or on Default, the shares are handed to the lender rather than sold into the curve, so a liquidation never moves the price.

08

Trust score

Every project carries a score from 0 to 100: payout history, project age, verified domain and GitHub, verified source code. A service signs the off-chain checks (EIP-712) and the result is stored on-chain in the VerificationRegistry.

Who earns what

Shareholders

- A share of project revenue, never below the promised minimum per 30 days
- Share price growth along the curve as buyers come in
- 60% of other holders' early-exit penalties
- The remaining bond if the project defaults

Project

- Capital without selling equity, launching a token or taking on bank debt
- Half of the trading fee: 0.5% of its shares' volume
- A community of holders invested in growing its revenue

Lenders

- Interest on loans, at a rate and term they choose
- Collateral in dividend-earning shares that pay the debt down
- A 1% origination fee on every loan and guaranteed minimum interest

LitShares protocol

- 5% of revenue flowing through pools
- 0.5% of trading volume
- 20% of early-exit penalties
- 1 zkLTC per new pool

A worked example

A project earns 10 zkLTC in fees per month, gives holders 30% and promises a minimum of 2 zkLTC per epoch. An investor holds 10% of all shares.

Bond locked by the project	12 zkLTC
To holders per month	3 zkLTC
To the protocol per month	0.5 zkLTC
To the creator per month	6.5 zkLTC
To an investor with 10% of shares	0.3 zkLTC / mo

If revenue falls to 5 zkLTC, holders get 1.5 zkLTC and the bond tops up another 0.5 zkLTC to reach the 2 zkLTC minimum.

What protects holders

Bond before the first sale

A pool does not open until the creator has locked the bond.

Recipient check

Every pool action checks that fees still flow to the splitter.

Automatic Default

No votes and no admin: the contract checks the conditions itself.

Exit always open

The curve buys shares back even when there are no buyers.

Creator lock

90 days locked and 90 days of vesting against a rug pull.

No access to funds

Neither LitShares nor the creator can take holders' money.

Status

Live on LitVM LiteForge testnet (chain 4441): contracts, web app, keeper bot for fair launches and payouts, indexer, scoring service. Pools are created through the web app.

PoolFactory	0xC33E47c364587041a8F6b1468b19F2c3Ba898ab7
ShareLending	0xf322F87E59636138deD7dE0BF11F5a78c3F4fABa
VerificationRegistry	0xE488847257c98F539BA0E99B0Dc34713Be8c27F6
ProjectNFT	0x532Ae0252e31D8BD21FEb400b256713D99A0d437