



Surf Finance

DeFi's Next Big Wave

Phase 2 Whitepaper v4

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<https://surf.finance>

Discord: <https://discord.gg/ZduXSdd>

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Introduction

Most of the recent DeFi projects have been totally unsustainable “yield farming” or “liquidity mining” dapps that essentially memed their way to the top before crashing spectacularly. These projects were destined to fail because they didn’t reward long-term holders, and they freely gave away most of their tokens to whales that immediately dumped them as a thank you. In addition to having poor tokenomics, some of these projects were actually created by malicious teams that “rugged” by pulling liquidity or minting and then selling enough tokens to drain all of the liquidity on Uniswap. As you can see, it’s getting pretty scary out there, but with your help, we can change that.

It’s time to protect each other. It’s time to stop investing in projects with unverified code, unaudited code, or an unfair distribution. It’s time to raise our standards and demand projects that focus on transparency, community, and sustainability. **It’s time to surf.**



Quick Facts

- **Token Symbol:** SURF
- **Total Supply:** 10,000,000
- **Transfer Fee:** 1% (100% gets rewarded to **Whirlpool** stakers)
- **Passive Rewards:** The **Whirlpool** is a unique staking and rewards system that will be the heart of the ecosystem after farming ends
- **Fair Distribution Through Farming:** The entire SURF token supply was fairly distributed in October and November 2020 using a revolutionary fixed APY farming model that is already being cloned by other projects.
- **Governance:** The owner of the SURF contracts will not be the dev team, but a governance contract controlled by all SURF holders
- **Dev Fee:** The dev team does not get a direct cut of the SURF transfer fee, Whirlpool unstaking fee, or Whirlpool rewards. Members of the dev team had to farm or buy their SURF the same as every other participant during the farming phase.

Overview

SURF.Finance is a financial experiment that aims to discover what happens when a transparent (and tubular) team fairly launches a governance token that is designed to reward long-term holders (aka hodlers). The project has two distinct phases, and is currently in Phase 2:

Phase 1: Fair Distribution - In October and November 2020, the entire 10 million token supply was fairly distributed during the farming phase to everyone that staked Uniswap LP (liquidity provider) tokens in one of SURF's beaches (our word for a farm pool). By using a fixed APY calculation, each beach minted less SURF per block as the price of SURF increased, and more SURF per block as the price decreased. The goal of the phase was to provide a strong foundation for Phase 2 by getting the majority of the SURF supply into the hands of hodlers, and it was a huge success! During the farming phase, the **Whirlpool** accrued over 2 million SURF to distribute to those staking ETH/SURF Uniswap LP tokens!

Phase 2: Reward the Hodlers - Phase 2 started the moment Phase 1 ended, when the max supply of 10 million SURF was hit. The fixed APY beaches closed, the **Whirlpool** activated, and all of its accrued SURF started getting paid out to those staking their ETH/SURF Uniswap LP tokens. Phase 2 also introduced the first of many projects launching within the SURF ecosystem that will continually pay dividends to everyone staked in the **Whirlpool**. As a fairly distributed governance token, SURF will be controlled by those that value it the most. All of the most impactful parameters in the protocol can be adjusted through successful governance proposals, ensuring that the community of SURF hodlers can continually experiment and improve it.

Contracts

There are two primary contracts that handle the core features of the SURF protocol (each explained in detail in the following pages), and two secondary contracts that handle creating, voting on, and executing governance proposals. All of these contracts can be reviewed from our public Github repo <https://github.com/SURF-Finance/contracts>.

Primary Contracts

- **SURF.sol**: SURF token contract (Modified ERC-20)
- **Whirlpool.sol**: Long-term staking/rewards contract

Governance Contracts

- **Governor.sol**: Governance proposal contract (Lightly modified GovernorAlpha.sol from Compound)
- **Timelock.sol**: Timelock contract that adds a delay to the execution of successful governance proposals (Lightly modified Timelock.sol from Compound)

Disclaimer

The following pages contain an overview of the most important mechanics in each of SURF's primary contracts. We strongly recommend that you fully review the contracts to verify that our statements are accurate. SURF.Finance is a decentralized financial experiment that distributes a valueless governance token to those that want to participate. Never participate with more than you can afford to lose. Only trust the code.

SURF.sol

This is the SURF governance token contract that inherits and makes modifications to the Open Zeppelin ERC-20 contract. Here are some of the most important features in the contract:

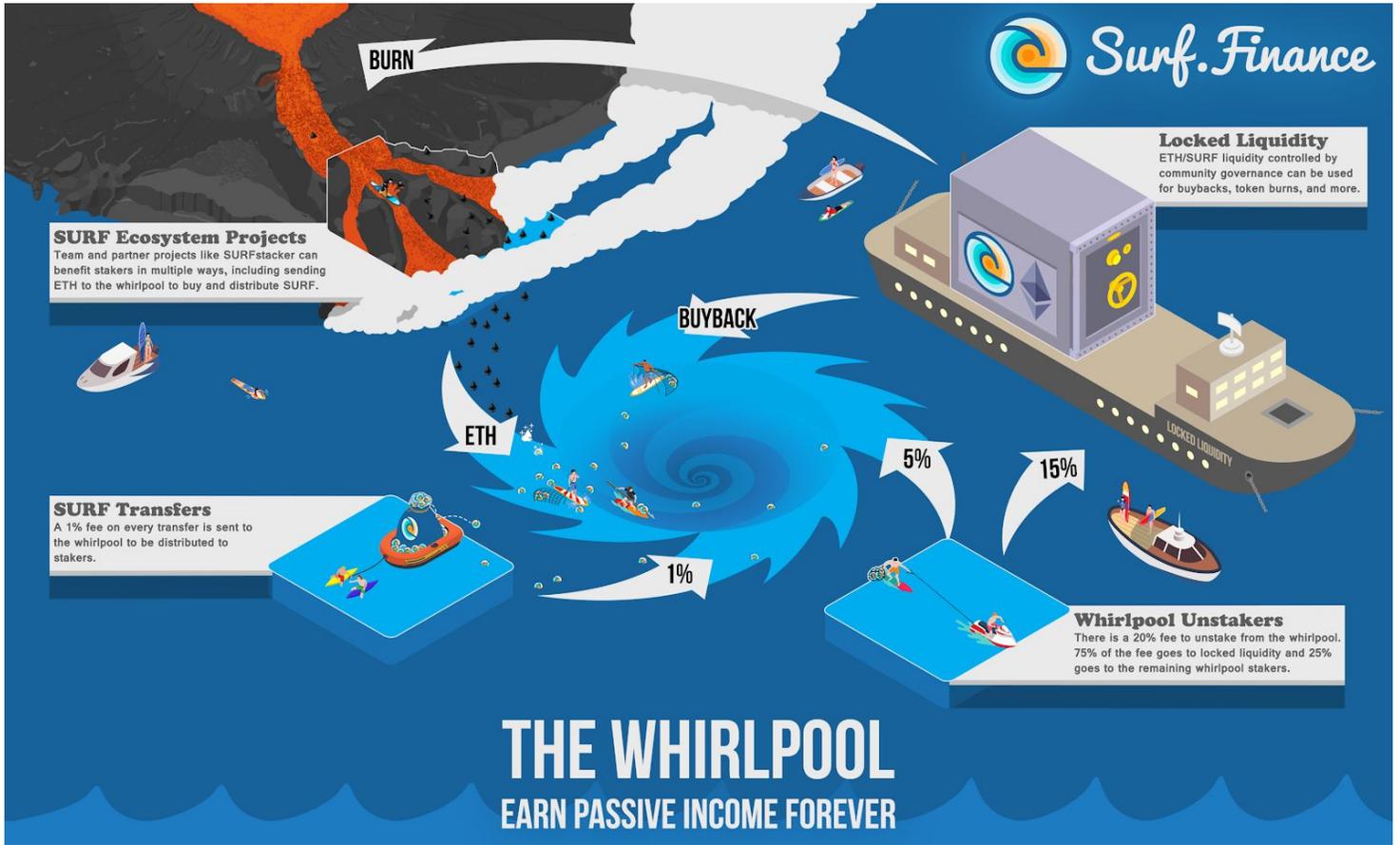
- Declares and enforces the max supply of 10,000,000 SURF
- Extracts a **1% fee** from every SURF transfer and rewards it to those staking ETH/SURF LP tokens in the **Whirlpool**. The fee is not taken from transfers involving the **Whirlpool** contract. SURF token holders can make governance proposals to change the amount of the fee, or whitelist other contracts from paying the fee.
- Implements and modifies the YAM governance model, which is based on the Compound governance model
- Stores all of the community-locked ETH/SURF LP tokens collected from the beach staking fee during the farming phase, as well as the **Whirlpool** unstaking fee. SURF holders can migrate the community-locked ETH/SURF LP tokens elsewhere in the future through a successful governance proposal.
- Implements **approveAndCall** and **transferAndCall** to make it easier for other projects to use SURF

Whirlpool.sol

The **Whirlpool**'s primary function is to collect dividends from the other projects in the SURF ecosystem and distribute them along with the transfer fee, to everyone staking ETH/SURF LP tokens. Here are some of the most important features in the contract:

- At launch, the **Whirlpool** started accruing a mountain of SURF tokens received from the 1% transfer fee in the SURF token contract, and the secondary beach staking fee, but did not start distributing the tokens until the max supply was hit and it became **activated**
- When the **Whirlpool** was **activated**:
 - Users were able to stake ETH/SURF LP tokens to receive their proportional share of the pending SURF rewards
 - Any SURF the **Whirlpool** received **before** activation has been getting distributed over **100 days** (daily equal payouts of 1% of the total). The first payout was 48 hours after activation.
 - Any SURF the **Whirlpool** receives **after** activation is immediately distributed
- There is **no fee** to stake ETH/SURF LP tokens in the **Whirlpool**, but there is a **20% fee** to unstake them. The **Whirlpool** is the ultimate passive income machine and should only be staked in by those that plan to stay staked long-term. The unstaking fee directly benefits the health of the project by keeping incentives properly aligned
- The 20% unstaking fee is distributed as follows:
 - 75% of the fee will be sent to the SURF token contract, locked to the community
 - The other 25% of the fee is converted to SURF tokens and distributed to stakers
- Any other contract can pay dividends to the **Whirlpool** using the **addEthReward** function. **100%** of the ETH received is automatically and trustlessly used to buy SURF from Uniswap, which then gets rewarded to stakers.

SURF Ecosystem Rewards



The SURF Boards

The **SURF Boards** are special NFT's (non-fungible tokens) that provide some awesome benefits to anyone that owns one of the **100** in existence. Though there are juicy financial benefits to owning a **SURF Board**, none of them have been disclosed yet in an effort to make sure only the most dedicated surfers are interested in acquiring one. A private channel in the SURF Discord server exists for all **SURF Board** owners to hangout and get early insight into all of SURF's upcoming developments. 20 **SURF Boards** were reserved for each member of the team, and 80 were auctioned off on OpenSea using a 48-hour Dutch auction format with a starting price of 10 ETH and an ending price of .01 ETH (most sold for around 1.4 ETH).

