ZNLT White Paper – V1.2

What's new:

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1. Introduction

Every safe mile should count. That's why we created ZNLT, a digital token inside the Zenlit app that rewards safe driving and community engagement.

The app uses the ZenScore engine to quantify speeding, harsh events, and distraction and distribute tokens monthly via smart contracts on Base L2. From launch, users earn ZNLT by driving safely and referring friends as safety promoters. The app provides ZNLT points to the users and the users can transfer the amount to their

crypto wallet. The transfer will initiate ZNLT token transfer to the user wallet. We use ZNLT token and point without distinguishing. The main difference is token sits in the wallet and the points are at the Zenlit cloud. The app provides a Zenlit Marketplace — a decentralized platform for gift cards, auto insurance and other auto products.

Unlike Amazon, where vendor fees accrue to a single company, 70% of Zenlit marketplace fees flow back to the community of ZNLT holders. The flywheel is simple:

- Safer drivers attract better vendors.

- Vendor fees fund token buybacks.

- Higher token value incentivizes more safe driving and referrals to get more safer drivers.

This creates a self-reinforcing cycle that benefits all participants while making our roads safer and make our insurance more affordable. Step by step, we are building a fairer, safer, and more rewarding ecosystem — owned and verified by the people who drive it.

This white paper details the technical architecture, tokenomics model, marketplace design, and governance framework that will deliver measurable improvements in road safety while creating sustainable economic incentives for everyone who chooses to drive responsibly and promotes safety.

2. Mission and Vision

Make every road safer and every policy fairer by rewarding safe driving with real ownership.

Zenlit empowers drivers to take control. Every smart choice on the road is recognized and rewarded, turning safe driving into tangible benefits you can see, share, and own.

Vision

A global community where hundreds of millions of safe drivers drive, share, and grow with Zenlit.

In this future, safe drivers are more than individuals behind the wheel—they are peace makers of the road, connected through a platform they truly own. Every safe mile and every referral fuel a marketplace that grows in value and gives back to its members through token rewards and appreciation. Drivers not only lower the cost of car ownership but also gain confidence knowing they are part of a transparent, fair, and global movement. Together, they drive smarter, share openly, and grow stronger transforming our roads and redefining what it means to own and benefit from mobility.

3. Problem Statement

Every year, U.S. roads claim more lives than many wars. Over 42,000 lives lost annually — more than 116 every single day with additional 6,300 people injured daily, bringing physical, emotional, and financial pain to many more impacted people. Car accidents cost the U.S. economy over $500 billion each year. Traditional insurance covers part of the damage but leaves many drivers powerless: premiums rise, claims drag, and distribution eats up 10–20% of every premium.

More specifically, the auto insurance and road safety sectors face the following persistent challenges:

- High Accident Frequency: More than 6 million crashes annually in the U.S. (16,400 crashes every day, about 11 crashes every single minute) lead to escalating repair, medical, and legal costs.

- Inefficient Claims Process: Manual adjustments, fraud disputes, and high labor costs drive inefficiency and customer dissatisfaction.

- Marketing & Acquisition Costs: Insurers face intense competition and rising costs to acquire and retain customers.

- Rising Insurance Premiums: Due to above cost, premiums have been increasing at an average annual rate of 14.25%, outpacing wage growth and inflation.

- Data Silos: Lack of real-time, verifiable driving data limits insurers' ability to offer personalized pricing and rewards.

4. Solution Overview

ZNLT addresses these challenges through a multi-faceted approach:

- Tokenized Incentives: Tokens awarded for safe driving, referrals, and safety advocacy.

- Real-World Utility: ZNLT unlocks discounts, sweepstakes, and marketplace redemptions — not just speculation.

- Blockchain Transparency: All transactions and rewards recorded on Ethereum for auditability.

- Decentralized Marketplace: A multi-vertical marketplace connecting drivers, insurers, and vendors.

- Token Buyback Flywheel: 70% of marketplace commission or access revenue is automatically used to buy back ZNLT from the community.

- AI-Driven Analytics: AI monitors unsafe driving, provides feedback, and delivers DOI-approved safety scores.

- Community Governance: Gradual transition to a foundation and DAO structure that empowers users.

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5. Technical Architecture

5.1 Core Components

- Zenlit App: iOS & Android app integrating AI driving analysis, wallet, and marketplace.

- ZenScore: AI module calculating last 30-day safety scores.

- ZNLT Wallet: Non-custodial wallet with 12-word recovery phrase.

- Marketplace: In-app and web platform for redemptions and offers.

- Multisig Custody: Foundation and treasury secured by multisig (2-of-3 or 3-of-5).

- Foundation DAO & Treasury: Hybrid governance model for token supply, buybacks, and funding.

5.2 Blockchain Integration

- Ethereum Mainnet: ZNLT is an ERC-20 token, launching on Base L2 for faster, cheaper operations.

- Smart Contracts: For distribution, locking, redemption, and buybacks.

- Third-Party Integrations: APIs for insurers, vendors, and data partners.

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6. Tokenomics and Reward Model

6.1 Token Supply and Distribution

- Total Supply: Fixed maximum of 100,000,000,000 ZNLT.

  - Liquidity growth fund: 5% of the total supply

  - Community reserved: 70% of total supply

- o Other ecosystem builders: 25% of total supply

- Blockchain: Issued as an ERC-20 token on Ethereum, with Layer 2 integration planned for scalability and low-cost transactions.

- Initial Distribution: Tokens are earned directly by users through safe driving, referring users, or app engagement bonus, etc. ensuring fair and community-first allocation.

- Referral Rewards: Tokens also distributed for verified referrals (referred persons need to have 3 trips to get the referral reward), reinforcing growth through advocacy.

- Locking Period: Tokens earned are subject to a 1-month lock-up period before becoming transferable, aligning incentives with sustainable participation.

- Tradability: Full tradability on secondary markets will be determined (TBD) based on regulatory readiness and ecosystem maturity.

- Minting Logic: Token release begins with an initial 1 million ZNLT, with controlled minting in 1 million increments until the hard cap of 100 billion ZNLT is reached.

6.2 Reward Calculation

- Safe Miles

  Here is how safe miles are calculated from the total miles driven of a trip. The penalty of having the safety events is as follows:

  i.   Hard braking: 1 mile is deducted for each hard barking.
  ii. Hard Acceleration: 1 mile is deducted for each hard acceleration.
  iii. Over speeding: Total miles are driven over speeding limit + buffer for more than 10 seconds.
  iv. Late night driving: Total miles driven between 11 pm and 4 am.
  v.   Driving distraction: Each mile is deduced when the phone was unlocked and moved while the car is at more than 5 mph.
  vi. Sharp turn: 1 mile is deducted for each sharp turn.

- Driving Rewards:

  - o Every safe mile earns 0.1 ZNLT. If someone has a trip of 23 safe miles, the total reward of the trip will be 2.3 ZNLT. There is a cap of 100 safe miles per trip to discourage a long trip without a break.

- Referral Rewards: Earn bonus ZNLT for referrals when the referred person completes 3 trips.

- Distribution to blockchain wallet: Reward tokens shown as "earned" and distributed to blockchain monthly.

6.3 Halving Model

- Rewards halve every 0.5B tokens distributed.

- Transparent smart contracts enforce halving.

- Governance: Rule changes reviewed by Zenlit Labs → Zenlit Foundation → DAO.

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7. User Experience and App Features

7.1 Onboarding

- Wallet Creation: Non-custodial with recovery phrase.

- Profile Setup: Connects to mobile or vehicle data.

7.2 Driving Monitoring

- Trip Recording: Automatic trip detection.

- Real-Time Feedback: AI detects unsafe behaviors.

- Crash Detection: Alerts emergency contacts.

- Distraction Coaching: Personalized notifications and tracking.

7.3 Earning and Redeeming

- Dashboard: Daily ZenScore, token progress.

- Marketplace: Redeem for gift cards, buy gift cards with discounts, or crypto swap (future).

  - Users can earn bonus token by purchasing

7.4 Community Engagement

- Referrals: Earn tokens for inviting others.

- Leaderboard: Roadmap feature for competitive rewards.

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8. Marketplace and Ecosystem

8.1 Multi-Vertical Marketplace

- Insurance Partners: Usage-based policies & discounts.

- Vendors: Tires, repairs, pet insurance, and eventually cars.

8.2 Revenue and Buyback Model

- Revenue: Paid in ZNLT or FIAT.

- Buybacks: 70% of commissions in ZNLT returned to the redistribution vault.

- Liquidity Pools: ZNLT may be listed on exchanges (Uniswap, Coinbase), subject to compliance. Marketplace owners, vendors, or any ZNLT holder can provide liquidity and earn fees.

8.3 User Benefits

- Own, Earn, Influence: ZNLT enables access, rewards, and governance.

- Ecosystem Growth: More users = higher value to vendors ->higher demand for tokens.

- Portability: Wallet and ZenScore are user-owned.

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9. Data Privacy and Security

- Compliance First: GDPR and global standards.

- Non-Custodial Wallets: Users control keys.

- Encryption: Data secured in transit and at rest.

- Anonymity: Wallets anonymized before sharing data.

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10. Governance and Legal Compliance

10.1 Governance Model

- Phase 1: Zenlit Lab Inc. governance.

- Phase 2: Zenlit Foundation + hybrid DAO.

- Phase 3: Full DAO, token holder governance.

10.2 Stakeholder Roles

- Zenlit Lab Inc.: Technology and platform development and operation.

- Marketplace Inc.: Marketplace Operations & partnership development.

- Zenlit Foundation: Tokenomics, compliance, governance, and safety promotion.

- Community Members: Referrals, safety advocacy, voting.

10.3 Legal Compliance

- Utility Token: Designed as a utility, not security.

- KYC/AML: TBD.

- Regulatory Monitoring: Ongoing legal review.

Nothing herein should be construed as investment advice or an offer of security. ZNLT is designed for utility within the Zenlit ecosystem.

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11. Roadmap and Future Evolution

Phase	Timeline	Milestones
Pre-Foundation	2025	Whitepaper release, Reference app, token distribution, marketplace beta.
Foundation	2026	App launch, token distribution, marketplace beta
Expansion	2026+	Exchange listings, new partners
Decentralization	2028–29	Hybrid DAO governance, global expansion
Maturity	2030+	Fully decentralized, self-sustaining ecosystem

Phase   Timeline Milestones

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12. Conclusion

Zenlit is more than an app or a token — it's a movement to make every safe mile count. Together, we can reduce accidents, lower costs, and put ownership back in the hands of drivers.