

LEX

Litepaper

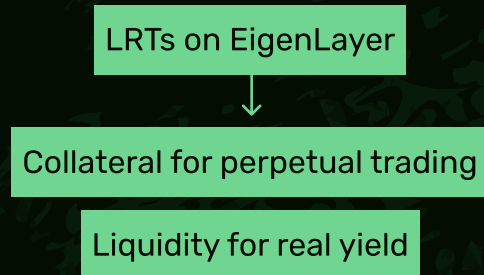
April 24, 2024

Intro

EigenLayer empowers Ethereum stakers to secure multiple services by restaking their ETH and opting into numerous services concurrently, fostering pooled security. This approach not only lowers the capital requirements for stakers but also enhances trust assurances for each service.

While this pooled security offers the Ethereum ecosystem immense value from a security and infrastructure perspective, stakers now have their Ethereum assets locked within a variety of staking contracts, and are left without the ability to easily utilize their Ethereum tokens for yield or other purposes.

With the opportunity to leverage billions in LRTs for value generating activities, the L3X ecosystem is the first of its kind, and combines proven technology powered by Vela with the capabilities of next generation chain infrastructure provided by Arbitrum Orbit.



L3X provides utility for LRTs on EigenLayer

This paradigm is solved through L3X, which provides both a lightning fast, reliable, trading focused network and native perpetual trading functionality that allows users to use LRTs (Liquid Restaking Tokens) from the Eigenlayer ecosystem as both collateral and liquidity for real yield.

Overview

The L3X Protocol ecosystem consists of two layers of functionality:

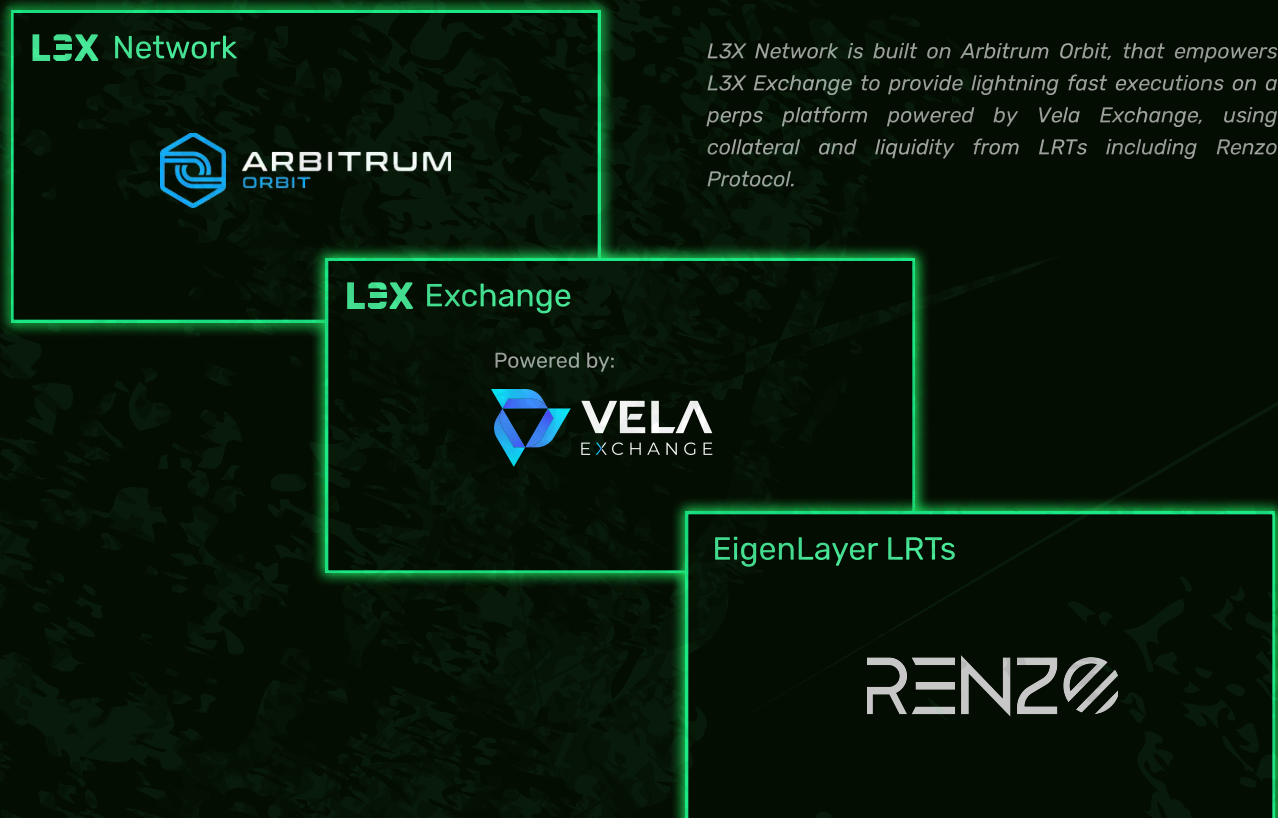
L3X Network

A trading optimized blockchain built on its own L3, powered by Arbitrum Orbit. The L3X Network will serve as an ultra high performance chain to serve institutional grade trading as well as special use cases within decentralized finance.

L3X Exchange

The premiere DEX utilizing the Vela Exchange core engine. While the future will bring a robust ecosystem of exchanges and other DeFi applications onto L3X Network, the initial launch will only include the L3X leveraged trading exchange.

The L3X Exchange will feature Eigenlayer LRTs as collateral / liquidity assets, starting with Renzo and their LRT ezETH.



Staking LRTs

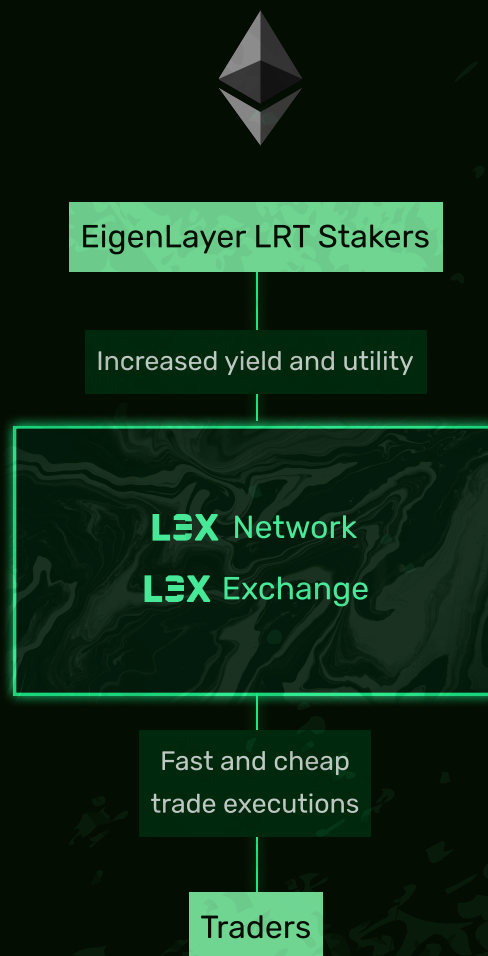
Holders of ezETH across Ethereum Mainnet, Arbitrum, Blast, Linea, and Mode networks may deposit and bridge their ezETH to provide liquidity for traders. Staking through early deposit vaults offers depositors bonus multipliers for both L3X and Renzo points, on top of any Eigenlayer points.

Early Deposit Vaults

Pre-launch vaults allowing depositors to deposit on any supported chain and reserve boosted points.

Liquidity Provider Vaults

Launch vaults that will allow liquidity providers to stake their LRTs in exchange for 3LP tokens.



3LP token

3LP facilitates liquidity provisioning for traders, enabling leveraged positions. Profit and loss dynamics are contingent upon traders' performance: losses benefit 3LP holders, while trader profits may lead to losses for 3LP holders.

Smart Contract Risk

L3X Exchange's smart contracts are audited, yet inherent risks persist.

Counterparty Risk

Profits earned by traders are sourced from the \$3LP pool.

LRT Risk

3LP is directly impacted in the unlikely event of ezETH or other LRT partner exploits, depegging events, and other issues impacting the vault asset types.

The perpetual platform's open interest is constrained by total USDC reserves of 3LP. New positions are restricted if platform open interest exceeds total TVL in 3LP.

Roadmap

Q2-Q3 2024

- L3X Network Testnet launch
- Early staking deposits
- Migration event
- Network Mainnet launch
- Launch L3X Exchange

Q4 2024

- L3X accelerate program
- Trade API improvements
- Grants program

2025

- L3X accelerate II
- L3X DAO