Preamble: The following fictitious story aims to provide a deeper understanding of HEX in an easy to read, simplified style. Please see the links for a deeper dive into HEX. Thanks

**The Magic Vending Machines**

* Imagine that in the world of HEX, there are two vending machines with magical powers.
* One of these machines is called Transform Lobby and the other is called Stake.
* Transform Lobby has a short lifespan of 351 days, whereas Stake lives forever.
* **What can these two machines do?** Well, if you put an ETH token into Transform Lobby, it will give you a share of its beautiful new HEX tokens at the magic hour, every day for its entire life of 351 days. Now, you do have to share the tokens with other people who put ETH into the machine for that day, for example: if you put in 1 ETH and there was 10 ETH put in for the day, then you would receive 10% of the brand new HEX tokens for that day.
* At the end of the day, you do have to tell Transform Lobby to give you your new tokens, which is called exiting.
* **Where do your new tokens go?** Simple, they hang out on the Ethereum blockchain waiting for your orders, like sending them to a friend, or to the marketplace (aka exchange) to trade for something else, but most of them will head on over to the other magic vending machine better known as **Stake**.
* Stake lives forever, is very good at math and most importantly cannot break the rules of its program…EVER! Because of Stake’s programming you can be rewarded handsomely or punished severely.
* **What does Stake do?** Stake has the ability to magically increase the amount of HEX tokens you have, by a huge amount, that’s why so many people love it. It starts like this:

**-** You put your HEX tokens inside Stake

**-** Stake then asks two very important questions; **1.** **How long will you leave your HEX**

 **tokens with Stake?** **&** 2**.** **How many HEX tokens will you put into Stake?**

**-** Stake uses this information to make an enormous mathematical calculation which

will determine the size to which your stack of HEX tokens will grow by the time you

 take them out, aka end stake.

* Kind of interesting thing here, when Stake first gets your HEX tokens they are

exchanged for shares and at this point the HEX tokens vanish (some say they were

 burnt).

**-** Now the cost of the shares will only ever go up, so if you put your HEX tokens in later,

 you will get less shares because of the price increase.

* Now you can leave Stake to do its thing, but you must come back at the appointed time or there will be trouble.
* Stake is always thinking & calculating in order to perform its magic. For example: on day 353 there will be a HUGE number of HEX Tokens that it will have to create and give out to all the stakers, who were staked on day 352. **Why is Stake giving away so much?** Stake is nice, and tried to give the tokens away for free for a whole year to those that had Bitcoin, but they didn’t want them, so Stake is sharing with its friends, the stakers. There are some silly penalty names you may have heard which are the cause of the stakers’ big gift; they are; we’re all Satoshi, Late Claims, Silly Whale & Gox Me Not. You don’t need to remember anything about them, just be thankful.
* Another name for day 353 is the Big Payday, and the payout is like a giant pie where every staker gets a piece as a percentage of the amount of share they have to the total amount of shares.
* **I’m sure that everyone would like a bigger piece of the pie, but how do you do that?** Stake thinks about a lot of things such as your daily interest, how much you staked, two bonuses called Critical Mass and Virality. All these things together will increase the amount of shares you have and the longer they were staked, the bigger piece of the pie you will get.
* **Important Thought:** Transform Lobby may give you more HEX tokens for the same amount of ETH put in at a later date, all depends on how much total ETH goes in. This is something for you to calculate.
* It’s day 351, Transform Lobby’s last day of service.
* It’s day 352, remember: you **MUST BE STAKED** on this day to share some pie.
* **\*\*\*The Big Payday\*\*\* is here!!! Now what?** That is all up to you! I, of course will go back to the magic vending machine ‘Stake’, and stake it all.
* **So, how does Stake make my HEX tokens grow now?** Well, as you remember, when you give your HEX tokens to Stake it will ‘burn’ them and convert them to shares. There is this thing called a payout pool which is divided amongst all the stakers and is paid to them in the form of shares every day, in accordance with the percentage of their shares held to the total shares in existence.
* **How does the payout pool get shares to give out?** Well, it’s magic of course! Stake uses something called inflation where it calculates an amount by which to grow the HEX token supply each year. The percent can go up or down, all depends on how much of the total supply of HEX tokens are staked, i.e. more staked = less inflation and less staked = more inflation. Stake tells me the minimum percent is 3.69 per year. So, Stake will divide the increase in HEX token supply and pay it out daily in the form of shares to the stakers. There are two other ways that Stake adds to the daily payout pool and pay attention as **This is Important:** If you break the rules and end your stake early, you will lose a lot, like for example: if you ended your 15 year stake after 1 day, 7.5 years of payout days will be taken from the returned HEX tokens. Also, there is a minimum penalty of 90 payout days. If you want to see the math, check the links. The other penalty is called Late Unstake. If you don’t unstake when you agreed to, you will be in a pile of doo doo. You will have a 2 week period to unstake after which you will lose 1% per week until it’s all gone. These two penalties go into the daily payout pool and are given to the stakers. The bottom line here is don’t unstake early or late, or you will pay a dear price!
* **Okay, okay, okay!** Your stake has ended and you have exited the stake in the proper time, **now what?** Stake will now convert your shares back into HEX tokens. This is the super fun part; you can now sell your tokens in the exchanges and use your amassed fortune for anything your heart desires, like maybe a new car or house? Or perhaps you would fancy a trip around the world? Or donate to your favorite charity? Or maybe even use the money to fund research into the study on life longevity?

I sincerely hope that my simplified story has helped to give you a greater understanding of HEX and the opportunity it presents. I wish you good fortune, success and a happy, long life.

If you enjoyed this content and would like to hear more from me, then please subscribe to my channel, leave a comment and hit the notifications button. This will help me and in turn will help to grow the HEX community which will benefit all those who invest in HEX.

**Receive 10% in BONUS HEX tokens when you visit ‘Transform Lobby’ click this link:** [**http://bit.ly/HEXvision**](http://bit.ly/HEXvision)

**More great information can be found at:** [**https://www.hexcurrency.com/**](https://www.hexcurrency.com/)

**Finally, if you would like to take a deeper dive, then check out Kyle’s walkthrough of the contract in layman’s terms, via these two links:**

[**https://docs.google.com/document/d/1P0ZDaBQx4ghkdX5IUwZb1n8ThvYf7i22MSt9Gm00JRU/edit#**](https://docs.google.com/document/d/1P0ZDaBQx4ghkdX5IUwZb1n8ThvYf7i22MSt9Gm00JRU/edit)

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