

District0x

Powering a new generation of decentralized Uber's and Airbnb's

Overview

The district0x Network describes itself as “a collective of decentralized marketplaces and communities (districts) powered by Ethereum, Aragon, and IPFS.”

Districts will leverage an open source framework to allow users to post listings, filter and search through listings, rank peers and amass reputation, send invoices and collect payments.

In simple terms, district0x's ambitious but demanding goal is to create a platform to power a new generation of decentralized Ubers and Airbnb's.

Token Sale

The district0x Genesis Contract will mint a total of 1,000,000,000 district0x Network Tokens (DNT). Thereafter, DNT will be minted in perpetuity exclusively via the district creation module.

The district creation process mints 1 DNT for every new district created on the network. Tokens minted by this mechanism may never be un-staked or transferred.

The DNT minted by the district0x Genesis Contract will be distributed across a series of up to three potential contribution periods. Contribution Period v0.1 (the subject of this report) is currently scheduled to begin on July 18th with a minimum total contribution target of \$2M. Contribution Period v0.1 will run for a period of 14 days, or in the event that the soft cap of \$10M is reached, until 48 hours after the soft cap has been reached.

A total of 600,000,000 DNT will be divided and distributed across all participants. Within 14 days of the close of Contribution Period v0.1, participants will receive an allocation proportional to the amount they contribute out of the total amount contributed. The district0x Genesis Contract will allocate the remaining minted DNT as follows:

- 140,000,000 = Reserved for potential Contribution Period v0.2
- 40,000,000 = Reserved for potential Contribution Period v0.3
- 200,000,000 = Distributed to Founders
- 15,000,000 = Distributed to Advisors
- 5,000,000 = Distributed to Early Contributors

SPEC BUY



General

Incorporation:	Unregistered
Team:	Transparent
White Paper:	Available
Stage:	MVP Aug 17
Sale Period:	18 July - 01 August '17
Website:	Click here

Sale Info

Pricing:	1 DNT > USD\$0.0833
Accepted:	ETH
Min Goal:	\$10m USD
Cap:	\$50m USD
Escrow:	Smart Contract
Bonus:	NA

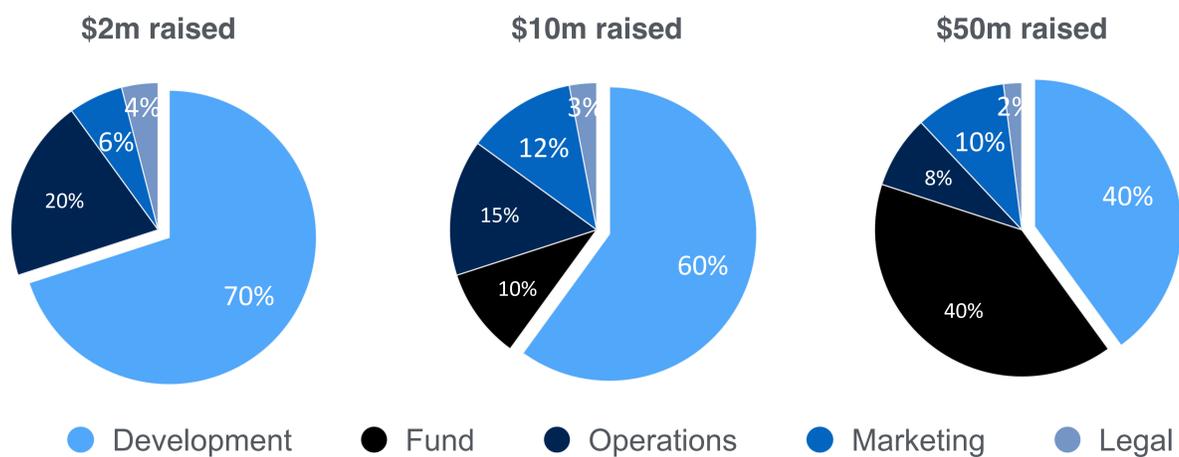
Bonus structure

Stage 1:	NA
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Checklist

Management team:	✓
Product definition:	✓
Commercial viability:	✓
Volume/interest:	—
Fulfilment:	—

Distribution of these funds depends on the total amount raised. There are three main scenarios for how funds will be distributed across development, operations, legal, and a district0x fund as shown below. The goal of the district0x fund is to accelerate the growth of the network by funding “new projects on the district0x Network and the creation of new auxiliary modules that enhance the functionality and utility of the district0x Project.”



It’s worth noting that founders, advisors, and early contributors receive just over a third of the initial DNT distribution, which is quite substantial. However, these funds are subject to distinct vesting schedules. Founder and advisor tokens are allocated over a 24-month vesting period, with a 6-month cliff. Early contributor tokens are allocated over a 6-month vesting period, with a 3-month cliff.

Commercial Strategy & Roadmap

The success of district0x relies on network effects and the success of individual districts on the platform. In order to use districts users must purchase and stake (put into escrow) DNT. By staking their DNT users become shareholders of the district and receive voting shares in the district’s Aragon entity (a platform for creating Decentralized Autonomous Organizations). This entity is used to determine everything about the district, from what it actually does to how it distributes profits.

Because DNT is a token for the entire network, it is not necessary for token holders to participate in profitable districts to benefit from their success. The value of any holder’s DNT will still increase as long as the total use of the network increases.

This is still a bit of an assumption, as it is entirely speculative as to whether projects will use the network. In fact there is a risk that the strongest projects and teams may self-select to build their Dapps independently of the district0x network. So far the only district running on the platform is Ethlance, a decentralized freelance job market, which has been active on the Ethereum network since January 2017. ENS Bazaar and Meme Factory (inspired by Simon de la Rouviere of ConsenSys) are scheduled to be the second and third districts, respectively.

Management

The district0x management team has significant experience in the blockchain space and is supported by BoostVC, Fintech Blockchain Group, and CoinFund.

Matus Lestan, Co-Founder, Lead Developer - lifelong developer with a strong passion for decentralization. Previously a freelance developer for 8 years, Matus is now known for pushing the Clojure-Ethereum ecosystem forward via many open source contributions.

Joe Urgo, Co-Founder, Operations - Founder/CEO at Sourcerers.io. Previously Joe worked as an Operations Manager at Coinbase, a Derivatives Trader at Three Arrows Capital, and a Professional Poker Player.

Alexander Khoriaty, Project Manager - Founder/COO at Sourcerers.io. Alexander has a determination for finding user experiences that can propel revolutionary and disruptive technology to the mass market. After studying physics and philosophy at the University of Michigan, Alexander spent 2 years working at Coinbase building out Quality Assurance program and triage processes.

Strengths

- Tackling an extremely large market - Uber and Airbnb alone have a combined valuation of \$100B.
- Their current district, Ethlance, already has active users within the Ethereum community.
- The project has gained significant community support and cooperation from Aragon, Status, and others.
- district0x could become the standard way to create DAOs that require posting and listings, search and filtering, ranking and reputation, and payments and invoicing functionality.

Weaknesses

- The project is complex and requires a significant amount of community coordination to succeed.
- The strongest projects and teams may self-select to build their Dapps independently of the district0x network, especially if the cost and time savings of using district0x's framework is not significant, resulting in lower than expected network growth.
- Although the roadmap and use of funds are explained in detail the \$50M hard cap still a bit steep.

Conclusion

District0x represents a **speculative buying opportunity** for investors willing to take a positive long term view on the idea of Ethereum-based marketplaces.

The existence of a functioning district on the network shows that initial network modules work and can easily be used by members of the Ethereum community. Significant community support for the project by major stakeholders in the Ethereum ecosystem gives credibility to the idea that developers could decide to build on top of the district0x infrastructure instead of starting from scratch.

While the \$50M cap is higher than ideal, the distribution of excess funds to district proposals ([found here](#)) that are voted on by the community and reach quorum provides a mechanism to help ensure that funds are spent on projects that will add value to the district0x network.

In conclusion, for investors seeking a long-term hold, we advise to **buy District0x as a growth style investment**, acknowledging that the potential for large capital gain may take several years.

Ratings Overview



Either at concept stage, lack of commercialization/conviction or bordering a Scam.



The company/tokens have merit, however there are questionable attributes and involves significant risk.



An investment worthy opportunity that should be considered and a healthy balance of risk vs return.



A good opportunity with no significant weaknesses and a clear path of commercialization.



A high conviction opportunity of investment with no visible weaknesses.

SCAM

A fraudulent initiative to be avoided at all costs.

AVOID

Participation will likely result in all capital lost.

RISKY

Due to a variety of factors, investment is associated with high risk of losing capital.

HOLD

Usually occurring in an updated release of coverage to advise maintaining current levels of position sizing.

SPEC BUY

A speculative opportunity for investors with a higher risk tolerance.

BUY

A high conviction buying opportunity.

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