

0x Project

An open standard exchange protocol for ERC20

Overview

0x is a startup seeking to create and deploy a new, secure, 'trustless' and 'feeless' exchange for Ethereum ERC20 contracts and tokens.

Currently, there are two types of exchanges in the market with differing problems:

1) **Centralized Exchanges** such as Poloniex, Coinbase and GDAX which are susceptible to security flaws, traffic spikes, and significant fees; and

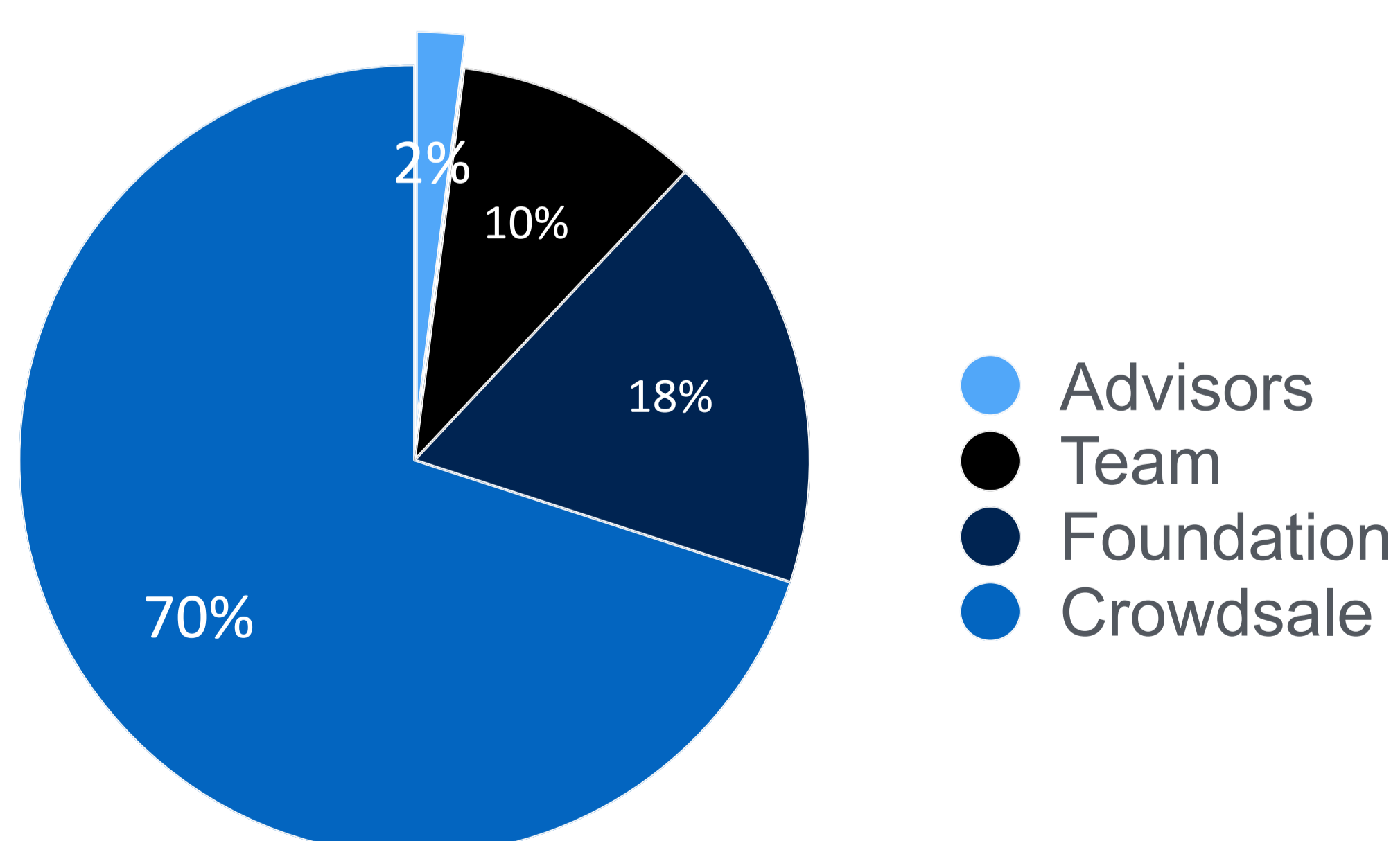
2) **Decentralized Exchanges** such as EtherDelta or Maker Market which are slow due to everything being stored entirely on the blockchain

The 0x project aims to deploy a platform agnostic 'hybrid' of both exchange processes; using off chain order relay combined with on-chain settlement to create a new and efficient standard in the market.

Token Sale

Under the code ZRX, 0x are issuing a maximum of 1,000,000,000 tokens (no mining). Exactly 70% of the tokens are being sold in the crowd sale with the team and advisors holding 10% and 2% respectively.

The use of proceeds from the capital raise is almost entirely going to the development of the protocol. This includes infrastructure costs, salary, and general & administration.



Buy



General

Incorporation:	NA
Team:	Transparent
White Paper:	Available
Stage:	Alpha
Sale Period:	15 August - 19 August 17
Website:	Click here

Sale Info

Pricing:	ZRX
Accepted:	ETH
Min Goal:	N/A
Cap:	US\$24m
Escrow:	NA
Bonus:	Not applicable

Bonus structure

Not applicable

Checklist

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

Tokens for Investors

ZRX tokens may provide the following benefits to investors:

- 1) ZRX allows holders to vote on changes to the 0x protocol as a method of decentralized governance
- 2) holders of the token can earn relaying fees from the protocol
- 3) appreciation of the ZRX free-floating token price due to ongoing fees collected by the protocol

Commercial Strategy & Roadmap

The 0x Project is already in Alpha with evidence of significant technical development to date. You can view the over-the-counter network by [clicking here](#). There are some tokens already listed and the ability for some to be manually added.

Moving forward, the aspirations of the 0x project are quite large and focus on practical solutions to solve some major inefficiencies that currently exist.

The 'hybrid approach' of incorporating and improving features from the centralized and the decentralized worlds would create a much faster and robust process for ERC20 transactions moving forward.

From a commercial point of view, the choice to create 0x as a platform agnostic protocol means its applications and adoption in the market could very well be limitless.

Management

The management team and the operational team appear to have extensive experience in both technology and development. Some of the personnel (including advisors) have a rich history in exchanges and trading of other markets.



Will Warren - Co Founder and CEO

Applied physics research at Los Alamos. Mechanical Engineering in San Diego.



Amir Bandeali - Co Founder and CTO

Fixed income trader at DRW. Finance at University of Illinois.

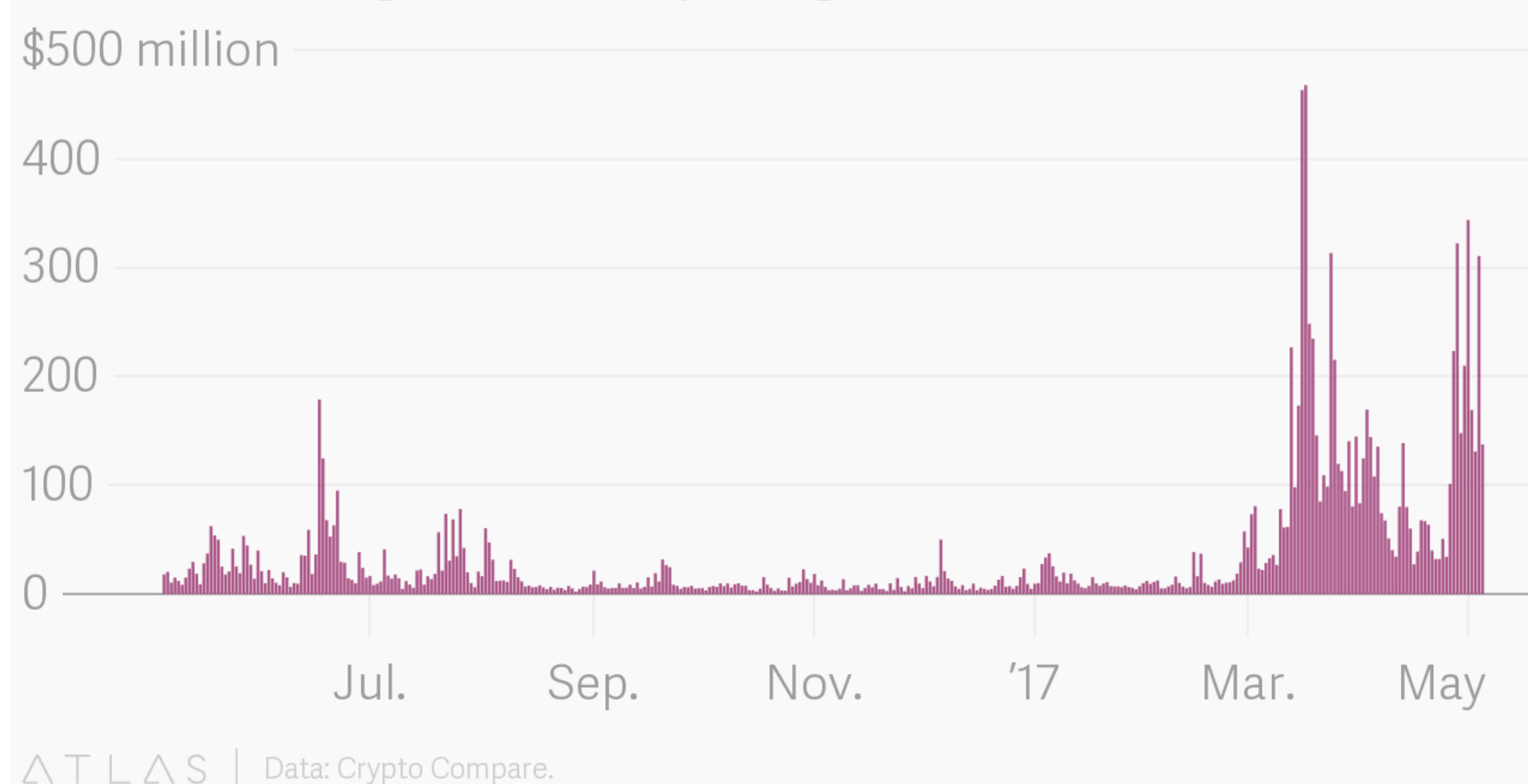
Strengths

- The 0x solution would solve a lot of inefficiencies and frustrations that market participants currently have. As the use of ERC20 continues to increase and evolve, startups are seeking to refine and innovate the current processes that power exchange are going to do extremely well from a commercial point of view.
- The team has already produced an Alpha version for the demo, confirming that the business is past the 'concept' stage.
- The commercial route of creating it as a platform agnostic 'protocol' means that capital expenditure will be significantly less than if they were to market their own product/exchange.
- There is a hard cap of approximately \$24m associated with the ICO. We believe this to be a very reasonable goal and are pleased to see that there was no need for over capitalization. In addition to this, The vast majority of funds being raised are allocated to ongoing product development.
- The management team appears to be equipped with sufficient experience.
- The allocation of tokens is very reasonable. The founding team is holding back 10% which are being vested over a period of three years. We believe this is a strong sign of commitment.

Weaknesses

- The 0x protocol is only available for the exchange of ERC20 tokens. While this does not appear to be a significant issue (at this point), there is an outside risk that popularity of other tokens will steer some of the relevance away from the platform. In saying this, Ethereum is currently showing no signs of decreasing in popularity (for the short term).

Ethereum trading volume is exploding



Conclusion

The 0x Project presents a **speculative buying opportunity** for investors.

To date, we are unable to find any red flags associated with the ICO and are pleased with the structure that is currently being offering to investors.

In brief, we are highly satisfied with the following:

- 1) the current development which has taken place by the team and the future roadmap
- 2) the commercial model is low cost and has the ability to penetrate a large portion of the market
- 3) the capital structure of the offer is good with a hard cap being applied
- 4) the team and advisors are subject to a sufficient vesting period for tokens being withheld
- 5) the team and advisors have an extensive track record

In conclusion, the ICO of the 0x Project appears to be a genuine use case and backed by a team who have the ability to successfully execute the vision promptly.

We, therefore, recommend a **Buy of the 0x Project** ICO for investors seeking either a short term speculative trading opportunity or a longer term capital gain.

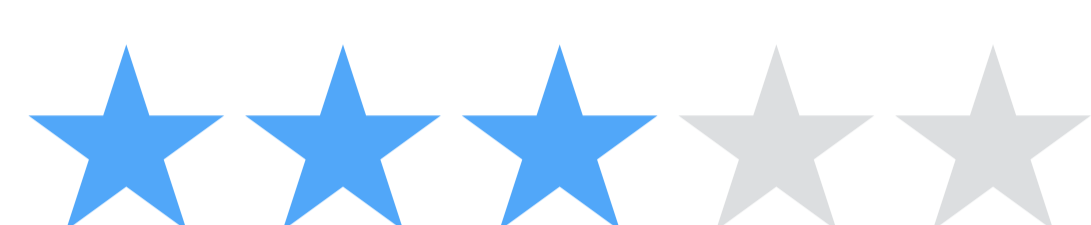
Ratings Overview



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



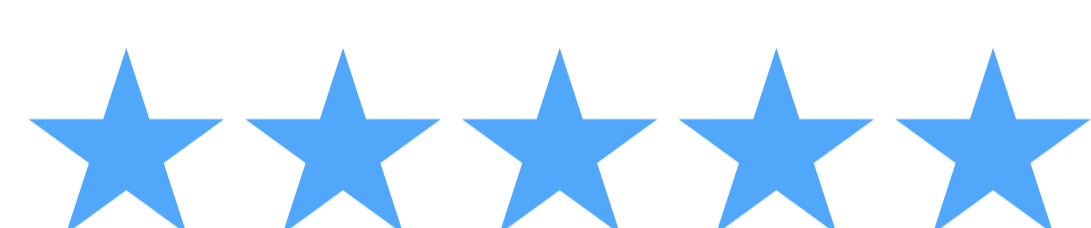
The company/tokens have merit, however there are questionable attributes and involves significant risk.



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.

Disclaimer

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