

# ARToken crowdsale report

## The idea

- Cappasity is a platform for **renting, selling** and **creating** VR/AR/3D content.
- All the payments on the platform are done with their own tokens (ART).
- Ecosystem consists of 2 layers:
  - **Infrastructure**: software tools, blockchain and decentralized storage.
  - **Marketplace**: content exchange and a sandbox area as a testing environment.
- Tackling 2 problems: **lack of quality** VR/AR content and **copyright** protection.

## How will they make money?

- The content creator gets 85-95% from every deal that s/he makes on the Cappasity platform. The rest is held by the platform as a **fee**.
- The size of the fee is determined by the content ranking system which gives every **content maker a score**, upon which a fee is calculated.
- Ecosystem will have several funds:
  - **AR/VR Innovation Fund**: grants for developers
  - **Reward Fund for Users**: rewards for the most popular content makers
- **Data storage providers** will earn service fees in return for hosting content.
  - On average 2% from every sale goes to the Storage Fund.
  - Providers get paid based on disk space, bandwidth, geolocation etc.

## Team & Advisors

- **Leadership team:**
  - **Kosta Popov** (CEO): has a 10+ years successful track of record as a software company CEO. One of the **top innovators of 2016** by **Intel Software**.
  - **Alex Chegaev** (CTO): extensive experience in 3D technology and a long-time working relationship with CEO Kosta Popov.
  - **Marianna Alshina** (CBDO): digital marketing background. Focus on building relationships with core partners.
- **Advisory board**
  - **Jim Theberge**: seasoned entrepreneur with several exits. Currently doing advanced advertising at Verizon.
  - **Leo Batalov**: partner at legal firm DLA Piper. Advisor on finances, M&As, venture capital, private equity transactions.
  - **Jeff Smith**: seasoned entrepreneur with experience in cloud computing, sales, VC, marketing.

- **Henry Ines:** a global executive and trusted advisor with 20+ years of investment, business development, corporate finance, management consultancy & cross border experiences.

## Timeline

- Q4 2017: Integration to major e-commerce platforms.
- Q2 2018: Mobile 3D capturing SDK, 3D hologram Unity/UE integration.
- Q3 2018: Smart contract empowered content marketplace.
- Q1 2019: Decentralized platform for 3D apps.

## Competition

- In the **marketplaces** niche the Cappasity competitors are **CGTrader** and similar.
- Besides being a marketplace, Cappasity is also a **platform** for 3D/AR/VR **content** creators. Since the **AR/VR market** is **still fresh** there are **no real direct competitors** here.
- Cappasity will have higher royalties for content creators, better voting system, copyright protection and blockchain related optimization.

## Funding

- Token sale will begin on **September 27, 2017 at 1:00 pm UTC** time and will end after 28 days or until the cap on fundraising is reached – whatever happens first.
- The token sale will be done using an Ethereum **smart contract**.
- **Hard cap** is set at 175 000 ETH.
- **Minimum contribution** is 0.1 ETH.
- Milestones:
  - \$3M (free mobile 3D capturing SDK, 3D hologram Unity/UE integration)
  - \$10M (smart contract empowered content marketplace)
  - \$25M (free 3D avatar scanner, remeshing solution for AR/VR + 3D printing)
  - \$35M (decentralized content storage, 3D capturing for real estate)
  - \$50M (decentralized app marketplace, 3D capturing for drones)
- Gathered assets will be **used for**:
  - 43% software development
  - 27% sales & marketing
  - 20% AR/VR innovation fund
  - 10% Reward fund
- There will be **no further ART token sales**.
- They will accept **bitcoin, bitcoin cash, ether, litecoin, dash**.
- ART is **supposedly not a security**. Anybody can invest based on Howey test (20 points).
- **Bonus** will be paid to all crowdsale participants based on Fibonacci number sequence, ending with 55% bonus for early contributors if the cap is reached.

- **Early contributions** will be held **only** through the **White List**.

## Tokens

- Cappasity will issue ARToken (**ART**), which is a **utility token** used for payments on the platform.
- 7,000,000,000 tokens will be issued. Unsold will be **burned**. Mining will not be possible.
- ART token is an **ERC-20** token issued on Ethereum platform.
  - Cappasity Ecosystem will migrate to the blockchain with DPOS consensus later.
- **Token distribution** is as follows:
  - 70 % are sold to public.
  - 18 % are retained for founders (2 years vesting with a 1 month cliff).
  - 12 % are left for early contributors (paid out as a bonus).
- During the crowdsale the **price of ART** is set to: 1 ETH = 34,996 ART

## Marketing

- ICO marketing:
  - They hired the PR & Marketing agencies **Actual Agency** and **Modern Token**.
  - **GeneralPromo** and **OFFERSHUB** were hired as web marketing agencies.
  - **PR articles** can be found on Cointelegraph, BTCnews, CryptoCoinsNews etc.
  - They also started a bounty campaign.
- Cappasity platform has a working **affiliate program**.

## Legal

- They've hired **DLA piper**, a global law firm. Leo Batalov is a direct connection to this firm as he sits on the advisory board.

## TLDR

- Cappasity is an up-and-running company established in 2013 and working in the AR/VR/3D field.
- They are building a platform for **creating, integrating** and **selling** VR/AR/3D content.
- Their token sale will begin on **September 27, 2017**.
- **Pros:** Proven track record of launched products. Team specializes in the VR/AR field. Experience since at least 2013. Clever use of blockchain technology for copyright protection.
- **Cons:** Their roadmap relies heavily on the blockchain provider - if the latter does not provide their (scalable) platform in time, the Cappasity blockchain services could be delayed.