ARCANUM VENTURES

"Project A"

Token Economy Audit

April 2023

A. Introduction

Company Description

"Project A" is a web3 company developing an ecosystem of products and services to address talent sourcing and development in the talent marketplace industry. Their suite of products will help onboard enthusiastic individuals into industries spanning blockchain to general technology. Products includes: a talent marketplace, an educational academy, a decentralized startup launchpad, an acceleration program for startup companies, and other community-based products.

The **"Project A"** ecosystem will incorporate the $TOKEN into every product vertical in addition to NFT-centric profiles and reputation. The combined token economy will allow access, payments, and promotional rewards to incentivize users to collaborate and create a healthy workspace.

The company is pursuing fundraising through equity sale via SAFE with a Token Warrant, enabling them to secure the funding they need while leveraging a decentralized token supply as a supplemental aspect of the economy. Additionally, the team hopes to construct an economy that will see sustained user demand in the products and services of the platform, allowing the team additional capital through responsible liquidations of the retained token supply.

Project Description

The **"Project A"** team inquired about Arcanum Ventures' Token Economy Audit process and requested a formal evaluation and report to create a stronger value proposition for investors and position themselves for a more effective go-to-market strategy.

The goals of the audit is to help create a more investor-focused token sale model, maintain a token control bias in the favor of the company, and review MVP utilities for viability and product-market fit.

- Analyze the current economy design and fundraising strategy
- Provide feedback and recommendations on restructuring a more effective token sale
- Provide feedback and recommendations on MVP utilities
- Provide insight and feedback on economic interactions

Preliminaries

The following information and data were provided by the **"Project A"** team for this analysis:

- Full token sale model
- Documentation outlining token economy design and utility design
- Documentation outlining business model and revenue structure
- Preliminary budgetary analysis
- Summary notes from previous professional consultation sessions
- Project prompt with specific requests for initiating the report

Disclaimers

This report contains guidance, advice, and recommendations based on Arcanum Ventures' own research, experience, and expertise in the field of token economics. While we have made every effort to provide accurate and up-to-date information, we are not legal professionals and do not offer legal advice.

The recommendations and lessons learned contained within this report are provided as a service to our client, and should not be relied upon as a substitute for professional legal or financial advice. We make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report or the information, products, services, or related graphics contained therein for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

In no event will we be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of, or in connection with, the use of this report.

B. Token Sale Model Overview

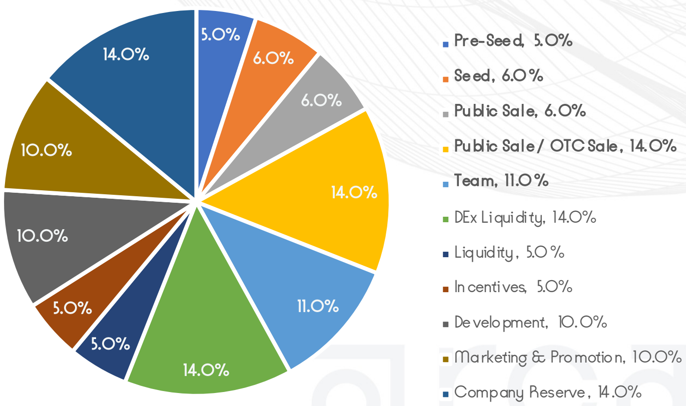
Token Distribution

The token distribution shows some proper designation in the business function of several tranches. The large amount of token equity reserved for **Liquidity**, however, is a puzzle considering this is typically a tranche that is vested early for providing liquidity across both centralized and decentralized exchanges. Typically, an acceptable range for total liquidity provisioning is 5%-8% with never more than **10%** to prevent investor concern.

Tokens reserved for large **Public Sale or OTC Sale** campaign are not recommended as there is insufficient market data on the effectiveness of OTC sales based on business structure and marketing campaign.

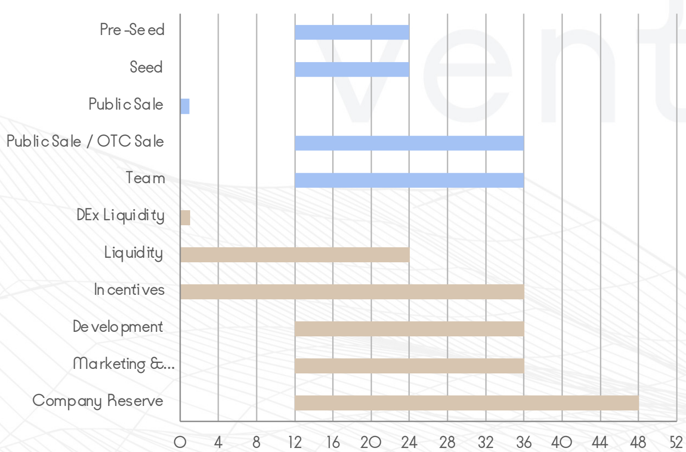
The presence of an **Incentive** tranche shows a need for protocol-based rewards, which often require a larger portion of the token supply, granting more token ownership for the userbase. If this tranche is referring to promotional distributions, it overlaps with the supply dedicated for Marketing functions.

Total Token Supply = 100,000,000

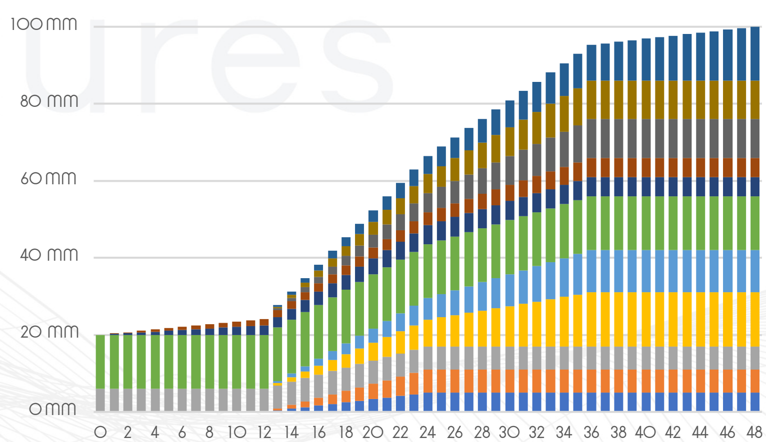


- Token distribution across initial fundraising rounds is equivalent, granting good control across different investor demographics.
- **Total Token Sale** (17% - 31%, pending completion of OTC Sale) is generous considering equity pre-sale for early investors.
- **Critical**: **DEx Liquidity** (14%) and **General Liquidity** (5%) tranche shows excessive amount of token equity granted for that business function.
- **Critical**: **Company Reserve** (14%) shows large portion of company equity in unlabeled tranche for an undisclosed function.
- **Caution**: **Incentives** (5%) does not adequately describe the use case for this token allocation.

Token Release Timeline



Token Emissions



Vesting and Emissions

- **Team** (11%) token vesting schedule align with pre-sale schedules. This may fuel concerns as investors understand team tokens are part of compensation packages for project employees who will look to convert startup efforts into capital quickly.
- The **Company Reserve** (14%) tranche typically indicates a contingency plan – these tokens are typically vested much longer.
- **Critical**: The immediate and full release of **Public Sale** (6%) tokens may cause concerns for pre-sale investors subject to a twelve (12) month cliff among public token liquidations and corporate token liquidations.
- **Caution**: Lack of differentiation between the **Pre-Seed** (5%) and **Seed** (6%) emissions schedules does not create speculative incentive for targeting different investor demographics in the different fundraising rounds. Additionally, the similar release across company-owned token tranches eliminates any maneuverability in biasing company-ownership immediately after token launch.

B. Token Sale Model Overview

Vesting & Emissions (continued)

<u>TGE Release</u>

TGE releases currently appear to be quite aggressive. Although higher TGE releases may work to garner investor attention, it can create heavy initial sell-pressure.

The target was calculated from weighted average of comparable projects launched - consider working towards it if concerned about investor behavior immediately following token launch.

<u>Cliffs</u>

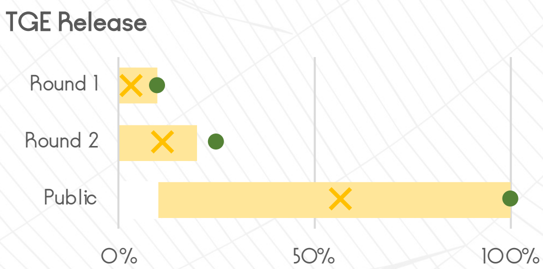
Although the cliffs across the fundraising rounds are within the acceptable range, they are all longer than the majority of comparable projects.

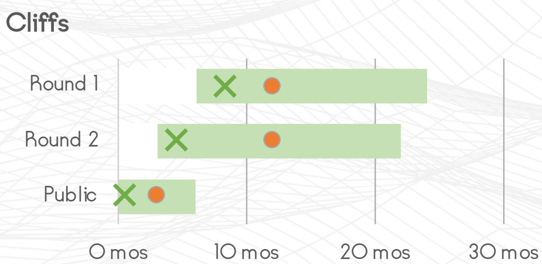
"Project A" may be able to create a stronger investor value proposition by shortening cliffs.

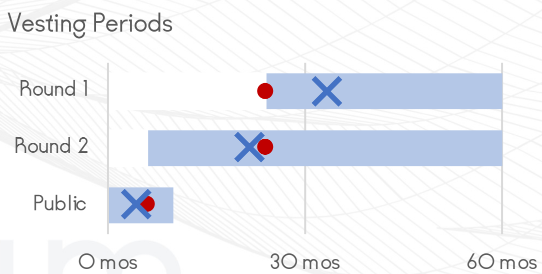
<u>Vesting Periods</u>

The vesting periods appear to be aligned with weighted average of similar projects researched. If having trouble filling the Seed round, it may be possible to shorten this vesting period to secure funding.

However, it's important to offset any resulting token control bias towards external control back with adjustments to vesting schedules or company owned tranches like: marketing, operations, development, etc.

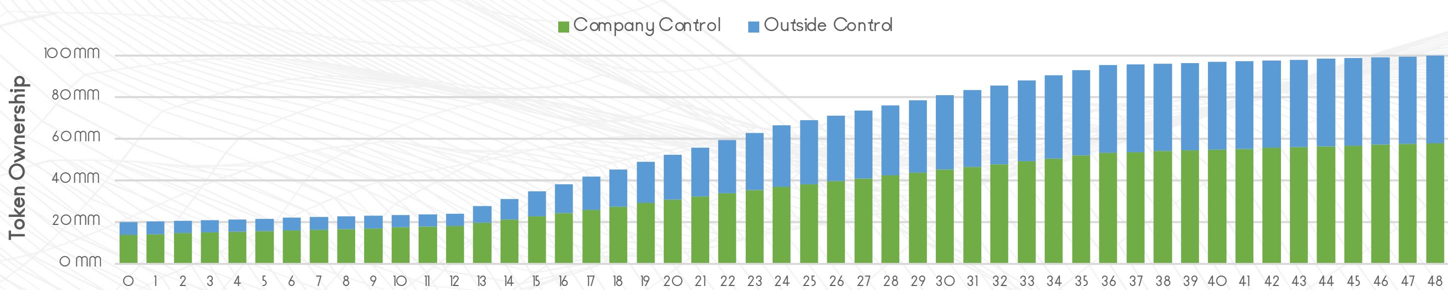


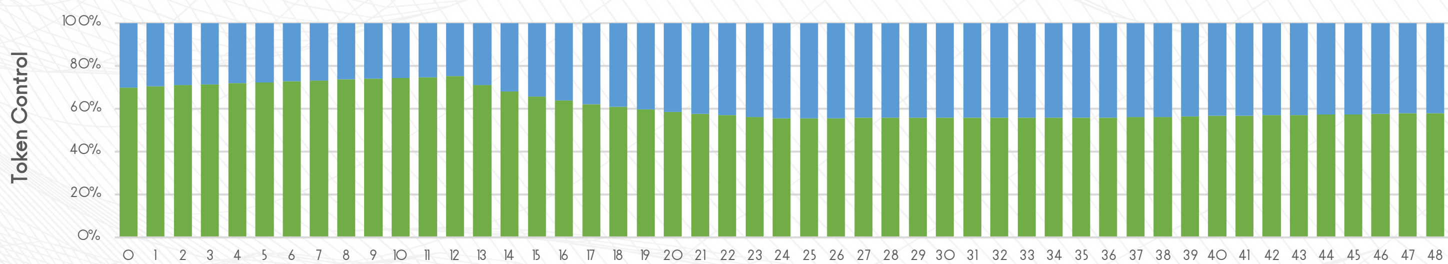




Token Ownership & Control

- Ownership and control is heavily biased towards the company within the first year, until investor token equity releases begin.
- This level of control will allow the company to influence liquidations and market movement, and generate more runway immediately after launch.
- The level of control is granted by the excessive, immediate release of the DEx Liquidity tranche, and further fueled by the linear release of the General Liquidity and Incentive tranches.
- **DISCLAIMER**: These vesting schedules may need to be changed to create a more attractive investment opportunity. It's important to measure how control will shift as updated vesting schedules are applied.





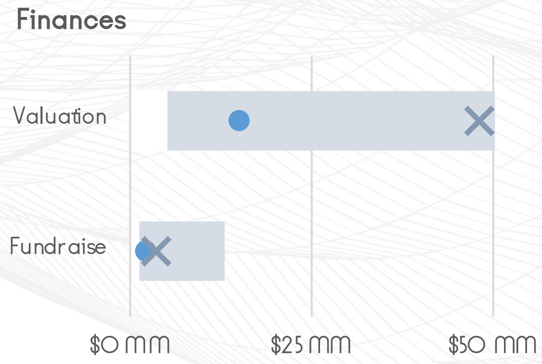
B. Token Sale Model Overview

Finances & Fundraising

Token Sale Round	Price at Round	Discount From Public	Funds raised	% Supply	FDV at Public	Value at Round
Pre-Seed	$0.1000	33.3%	$500,000	5.00%	$750,000	$10,000,000
Seed	$0.1250	16.7%	$750,000	6.00%	$900,000	$12,500,000
Public Sale	$0.1500	n/a%	$900,000	6.00%	$900,000	$15,000,000
OTC Sale	$0.1500	0.00%	$2,100,000	14.00%		
			$2,150,000	**17.00%**	**$2,550,000**	**$15,000,000**
			Token Pre-Sale	*Pre-Sale Investor Equity*	*Value of Pre-Sale Investor Equity*	*FDV at Launch Price*

Supply Metrics	
Total Token Supply	100,000,000
Initial Circulating Supply	20%
Initial Marketcap	$900,000
Initial Marketcap w/ Liquidity	$3,000,000

- Conventionally, two pre-public fundraising rounds are not recommended – they grant the startup less flexibility in segmentation of investor demographics among rounds. For an equity fundraise with token warrant (granted), this model is attractive in providing added incentive to fuel to equity sale.
- Valuation is well below the weighted average for comparable projects, which may be necessary for current market climate.
- Total fundraise is on the lower limit, which gives the team some flexibility in adding additional rounds if demand dictates.
- Caution: Discounts from public for two pre-public rounds are not significant enough to warrant a twelve (12) month cliff.
- **Critical**: Initial circulating supply is high for this level of company-control; that can alarm investors of a liquidity pull scenario.



Cautions and Recommendations

- Total Liquidity allocated in the token supply is alarming from an investor perspective. Without a clear and logical explanation for this token allocation, investors may walk away from what they perceive to be a potential rug-pull scenario.
- Large portion of Company Reserve tokens shows a lack of financial planning with the company owned token supply. With no clear guidance on what these tokens are used for, investors will assume the worst – that they are for greedy liquidations against their token equity.
- 100% TGE release of Public Sale tokens may dissuade any potential pre-sale investors, considering their pre-sale rounds do not offer a significant enough discount to public price to warrant a twelve month lockup.
- Incentive token tranche lacks much clarity around what the tokens are being used for, especially considering a marketing tranche exists to use tokens for promotional engagements. We would consider renaming this tranche or consolidating it with Marketing.
- Would consider differentiating the Seed and Pre-Seed vesting schedules based on investor feedback. This can help relieve immediate sell-pressure at first release, and buffer long-term price by varying release schedules for different types of investor demographics in the two different rounds.
- Cliffs for pre-sale rounds are longer than average, which may dissuade investors at first glance.
- TGE releases are quite large compared to industry standard for similar projects in past 6 months. We would consider reducing after gaining some investor feedback.
- Reducing TGE releases would cut down on high initial circulating supply.

C. Economy Design

Utility Overview

ID #	Asset Class	Token Utility	Utility Classification
1	NFT	**Access Model** for product verticals	1: Primary - Essential
2	NFT	**Discount** on transaction fees for payments and advertising	2: Secondary - Non-Essential
3	Fungible	**Governance** over unspecified functions	1: Primary - Essential
4	Fungible	**Payment Barrier** for add-on services	3: Tertiary - Disadvantageous
5	Fungible	**Reputation** through transaction behavior	2: Secondary - Non-Essential

1. NFT – Access Model

The primary asset of the ecosystem is the NFT that serves as a customer-profile and journey item. The asset is upgradeable with customizable characteristics/attributes that can be added or modified based on customer journey.

- Brings accountability through transparency and visibility. This may involve identity verification based on tiered access.
- Reputation through ecosystem interactions. This will involve reviews based on work performed, work commissioned, community engagement, and academy performance. The utility is a very good fit for this type of talent marketplace.
- Grants access and participation to Web3 product verticals. This may include the Investment Launchpad and Acceleration Program. There may be regulatory hurdles in identity and AML checks for investment platform participants, however none of the other aspects raise concern around securitization of the asset.
- Technical complexity around programming upgradeable NFTs with off-chain data oracles feeding from platform activity will be associated with high development requirements and costs.
- Platform, company, and revenue stability is not threatened by runaway demand since the utility is tied into primary revenue.

2. NFT – Discount on Transaction Fees for Payments and Advertising

NFT tiered structure is based on a number of factors both rooted in financial stake and ecosystem interactions. Users can pay for upgraded tiers to access specific platform features. Tiered access can be granted or offered at a reduced barrier through positive profile reputation or higher level of measured reliability. These upgraded profiles are offered discounted fees when commissioning work from freelancers or filling work commitments for agencies. Additionally, upgraded profiles are granted discounts when paying to advertise their services or agencies on the platform.

- Discounted access allows incentive for positive ecosystem interactions and is recommended within reason.
- Technical complexity is low considering platform backend will only evaluate a single NFT attribute.
- No redistribution of value is occurring with this utility, insulating the project from securitization regulations.
- Instability with runaway demand can occur if discounts significantly offset income, threatening the company's financial health.

C. Economy Design

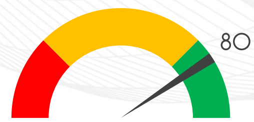
3. Fungible – Governance

Although governance appears to be the only Primary Utility for the fungible token supply, governance functions and DAO responsibilities are unclear. Given the talent marketplace being the primary focus of the project, arbitration will be an incredibly important factor in dispute resolution. The ability to evaluate and select unbiased governing bodies based on token holdings can allow easy and healthy resolution for claims submitted from both freelancers and agencies.

Additional governance features may be tied to Launchpad logistics, protocol development direction, and other platform-specific features, although this is not recommended considering the scope and difficulty of implementing these decentralized structures. These concepts will, therefore, not be considered for this evaluation.

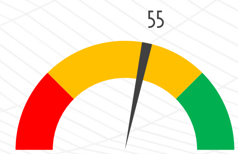
- There is no current product-market fit for this purpose since dispute resolution in protocol activity is largely untested, although a clear gap is present.
- The technical development behind this governance protocol may require bespoke smart contracting and platform expansion.
- There appears to be no major risk from regulatory scrutiny considering no distribution of value for governance participation.
- Runaway demand poses no risk, however corruption of the governing body may cause significant PR damage.

Product-Market Fit



Technical Simplicity

Regulatory Insulation



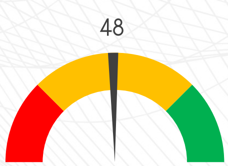
Stability with Runaway Demand

4. Fungible – Payment Barrier for Add-on Services

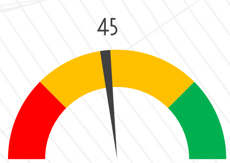
Payment barriers for a multi-faceted protocol that is focused on accessibility is never recommended. For an equity fundraise, the focus of the fungible token should be to supplement user experience in: accountability, incentivizing healthy ecosystem activity, promote early user-acquisition, or rewarding stakeholders in sporadic promotional events. It is possible to create a payment barrier with these priorities in mind by restricting access in a talent marketplace – limiting engagements with potential agencies for job applications, for example.

In this sense, the asset granted to users for healthy interactions can be used to bypass limitations, further encouraging positive community development. This asset can also be purchased on a marketplace for eliminating such barriers. It's important to note, native token revenue generation is not recommended and payment barriers should be structured for secondary products or features.

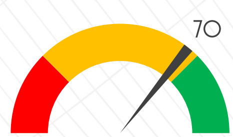
- Product-market fit is controversial, however examples of native currency barriers do exist for talent marketplaces and serve as additional revenue streams for the company while promoting quality engagements.
- Technical simplicity depends on the number and complexity of token distribution methods and payment areas. Smart contract development for accepting, converting, and storing tokens may increase development costs and time.
- Some regulatory concerns can be had around creating a payment barrier for a fungible token to pump demand for a utility asset.
- Risks posed by runaway demand are minimal however, the company should understand the impact to user-experience by presenting a payment barrier for a volatile asset. There are methods for stabilizing price through controlled company liquidations or value pegging. These must all be considered.



Product-Market Fit



Technical Simplicity



Regulatory Insulation

Stability with Runaway Demand

C. Economy Design

5. Fungible – Reputation Through Transaction Behavior

Seemingly invasive at first glance, the concept of incorporating healthy transaction behavior into account reputation and governance weight can effective. Analyzing ecosystem interactions and understanding the transactions among various agencies and freelancers on the platform will help identify HiPo stakeholders that find the platform more useful.

Granting additional benefits to these stakeholders will only work to strengthen their involvement in a productive ecosystem. Benefits such as additional voting power in governance proposals, improved reputation score on the talent marketplace, or community membership ranking, are all powerful incentives for users.

- There is no available information for product-market fit, considering we have not seen transaction and ecosystem interaction history be incorporated into reputation or voting power.
- Technical development will require complex data analytics tools and evaluation metrics to rank interactions and transactions.
- There appears to be no major risk from regulatory scrutiny considering no distribution of value for governance participation.
- Runaway demand poses no visible risk to the company, finances, or user experience.

Cautions and Recommendations

- Equity fundraise with a token warrant eliminates much of the financial backing for a fungible token supply. It's important to assign token utility that grants improved user-experience and ties asset demand to product use and ecosystem activity.
- Exercise caution in DAO governance around investments and Launchpad activity as this may pose some regulatory risks with non-accredited investors.
- Technical complexity around NFT profiles with upgradeable attributes can significantly increase blockchain development costs. Additionally, complexity around data analytics and transaction behavior influenced reputation may require specialized business intelligence analysts.
- Ensure any discounts granted are offset by income through digital asset sales or subscription revenue to ensure sustainable business model.
- Payment barriers for functions that require some restrictions in talent marketplace, such as freelancer outreach, will work to improve quality of interactions on the platform. Payment barriers in this sense can develop additional revenue streams while improving user-experience. We do not, however, recommend a primary sales payment barrier with no consideration for user incentives.

D. Token Economy Value Accrual & Demand

Demand Driver Summary

The table below describes the list of cryptocurrency demand drivers in general order. The score given to each driver works to identify the priority of efforts and resources for business operation. Additionally, the scoring of EXTERNAL demand drivers offer some insight into the potential impact of uncontrollable factor on the demand for the fungible and non-fungible assets of the **"Project A"** ecosystem.

The analysis shows high impact scores for Utility, Network Effect, and Technology Innovation. These are considered the primary demand drivers for the **"Project A"** ecosystem. The demand for the products come from the benefits offered by a decentralized network to innovate and compete with traditional, online talent-marketplaces. Therefore the focus is on the product and the solutions it offers for significant, existing problems.

There appears to be no abnormal impact from external demand drivers outside of general market movements.

Demand Driver	Custody	Association	Description	Non-Fungible Token Impact *(0-10)*	Fungible Token Impact *(0-10)*
Utility	Internal	Positive	Demand can be driven by the practical use-case of a token by those who would acquire it to participate on the ecosystem or individual products.	9	7
Security	Internal	Positive	Protocols or tokens that prioritize security will likely garner more demand by those that prioritize financial and privacy risks.	7	5
Network Effect	Internal	Positive	Growth of the userbase creates a critical mass effect that will lead to increased demand for the product or protocol, further driving demand for the token.	9	7
Technology Innovation	Internal	Positive	A digital asset granting functionality or access to innovative and disruptive technologies can drive demand for the token if the product solves a significant problem.	9	5
Marketing & Hype	Internal	Positive	Demand behind a token can be fueled by effective marketing and hype campaigns. These efforts work to create more awareness and interest in the token, and then convert these followers into token holders.	6	6
Adoption	External	Positive	Acceptance of cryptocurrency technologies and applications across industries may drive overall demand for the market and its protocols.	3	3
Speculation	External	Negative	The perception of future increase in value behind a token may drive demand for some speculative investors to purchase the asset.	1	2
Regulatory Environment	External	Negative	Positive regulatory developments can increase general demand for the market, providing a sense of security and legitimacy for token investors.	1	2

E. Ecosystem Interactions

Economic Agents

Arcanum Ventures has identified the following types of Economic Agents for this **"Project A"** ecosystem:

ID	Economic Agent	Description	Incentive
A	Freelancer	Individuals or organizations focused on using the talent marketplace to seek opportunities for contractor or full-time employment	• **Tangible:** Compensation for services • **Tangible:** Discounts for engagements • **Perceived:** Reputation building & connections
B	Talent Seeker	Individuals or organizations focused on sourcing talent for commissioned work or filling full-time roles	• **Tangible**: Discounts for engagements • **Perceived**: Access to quality talent pool • **Perceived**: Reputation building & connections
C	Academy Users	Individuals focused solely on entering the web3 arena and expanding their knowledge and skillset	• **Tangible:** Accolades & certifications • **Perceived**: Education and skill expansion
D	Launchpad Investor	Individuals focused on seeking returns from their investments in token startup launches.	• **Tangible:** Investment returns • **Perceived**: Sense of community involvement
E	Startup Founder	Leaders or organizations focused on securing funding through advertising and the acceleration program	• **Tangible**: Funding for startup • **Perceived**: Connections with professionals

Potential High-Impact Interactions

The following interactions between different economic agents are considered to be high-impact. Impacts are categorized as inherently positive or negative enough to influence behavior in two or more classes of economic agents. Positive impacts can fulfill incentive requirements for specific economic agents, fostering more engagement. These interactions should be actively pursued through structuring of products, promotions, or community development.

Negative impacts can be caused when an economic agent's actions can interfere or conflict with incentive mechanisms for another economic agent, creating discourse and discouragement of interaction on the platform by specific users. These interactions are listed as a caution for **"Project A"** to understand the risks and try to mitigate them by restructuring products or incentive mechanisms for one or more economic agent.

Interactors	Impact	Evaluation
(A) Freelancers (B) Talent Seekers	POSITIVE	The core of the ecosystem is the talent marketplace. Products focused on connecting freelancers and talent seekers should work to provide best fit based on: merit, experience, involvement, reputation, consistency, and culture.
(A) Freelancers (B) Startup Founders	POSITIVE	Companies specifically in the startup stage may be actively seeking personnel and resources in a fast-paced environment. **"Project A"** should prioritize the identification of freelancers with relevant startup experience to connect these individuals with startups advertising on the platform or participating in the Accelerator Program.
(C) Academy Users (D) Launchpad Investors	POSITIVE	Communication between Academy Users and Launchpad Investors can help reduce risky investment decision-making by DAO and Launchpad participants. Additionally, conversion from Academy users can better foster a healthy investment environment.
(D) Launchpad Investors (E) Startup Founders	NEGATIVE	Although there are some potential positive interactions to be had by connecting founders with launchpad participants, we believe there is a greater risk in creating conflicts of interest and leveraging a false sense of trust.

F. Revenue Analysis

Revenue Classifications

- **Transaction revenue:** This type of revenue stream is generated from each transaction or sale. For example, a retailer generates revenue by selling products to customers.
- **Subscription revenue:** This type of revenue stream is generated by charging customers a regular fee for access to a product or service. For example, a streaming service generates revenue by charging users a monthly subscription fee for access to movies and TV shows.
- **Advertising revenue:** This type of revenue stream is generated by selling advertising space or impressions to advertisers. For example, a social media platform generates revenue by displaying ads to users.
- **Licensing revenue:** This type of revenue stream is generated by licensing intellectual property or technology to other companies. For example, a software company generates revenue by licensing its software to other businesses.
- **Commission revenue:** This type of revenue stream is generated by charging a commission on transactions or sales. For example, a real estate brokerage generates revenue by taking a commission on the sale of properties.
- **Service revenue:** This type of revenue stream is generated by providing services to customers. For example, a consulting firm generates revenue by providing consulting services to businesses.
- **Data revenue:** This type of revenue stream is generated by collecting and selling data. For example, a market research firm generates revenue by collecting data on consumer behavior and selling it to businesses.

Status	Revenue Stream	Revenue Class	Evaluation & Comments
Confirmed	NFT Profile Sales	Transaction Subscription	**Scalable with user acquisition:** YES **Independent from external factors:** YES **Analog to traditional business model:** YES **Comments:** Primarily dependent on quality of product and ease of use worked into the User-Interface and User-Experience (UI/UX)
Confirmed	Advertising	Advertising	**Scalable with user acquisition:** YES **Independent from external factors:** YES **Analog to traditional business model:** YES **Comments:** Primarily dependent on consistency and velocity of growth of userbase for companies to market and advertise to.
Unconfirmed	Accelerator Program	Service Commission	**Scalable with user acquisition:** NO **Independent from external factors:** NO **Analog to traditional business model:** YES **Comments:** Scalability issues depend on resource bottlenecks, where new resources must be onboarded for new clients. Additionally, the success or perception of effectiveness may depend on market climate and investor sentiment.
Confirmed	DAO Treasury Investments	Investment Returns	**Scalable with user acquisition:** YES **Independent from external factors:** NO **Analog to traditional business model:** NO **Comments:** Risks to this revenue stream lie in extreme asset and investment volatility that are largely dependent on market climate. Additionally, DAO-centric investment organizations are a new concept and are largely unproven.
Unconfirmed	Launchpad	Service Commission	**Scalable with user acquisition:** NO **Independent from external factors:** NO **Analog to traditional business model:** NO **Comments:** Coordinating and executing token launches requires heavy operations support and come with inherent limitations. Launchpad success depends largely on reputation, userbase involvement, and project performance via market sentiment.

G. Summary of Recommendations

Token Sale Model

- **Token Distribution**: Consider reallocating tokens from Liquidity into other tranches, create some clarity around Incentives tranche or consolidate with Marketing, remove Company Reserve altogether and reallocate into purpose-driven tranches.
- **Vesting and Emissions**: Reduce both cliffs and TGE releases closer to industry weighted average, extend Public Sale token release linearly over 3-6 months, and consider creating different release schedules for the two pre-sale rounds to fuel speculation while offering similar control over the release period.
- **Finances**: No recommendations, company valuation and fundraise are very conservative, but would recommend considering opening additional equity fundraising rounds in near future once traction and userbase is gained.

Economy Design

- **NFT Access Model**: Customizable and upgradable profile-marker NFTs will require bespoke development resources not only for blockchain infrastructure, but also for off-chain data oracle integration. Many novel features will require comprehensive smart contract audits that can significantly increase cost.
- **Discounts**: Caution around discounts. They are extremely difficult to model and account for with uncontrollable factors governing user-acquisition. It's important to think of discounts as evolving or periodic promotions that the company has no long-term commitment to. Therefore, revenue losses can easily be controlled as to not significantly offset income.
- **Payment Barriers**: Must only be introduced in an open and multi-product ecosystem with major diversity in economic agents and stakeholders, if it can add to the user experience. Lessons can be taken from competitors who use native token payment barriers to limit interactions and encourage higher quality interactions.

Token Economy Value Accrual and Demand

- **Internal Factors**: Much of the token demand will be driven by product quality, user experience, user journey, marketing, and business development efforts. These are all major undertakings but all within control of the company.
- **External Factors**: There are abnormal risks outside of normal market movements that can significantly impact token demand.

Ecosystem Interactions

- **Community Education**: To limit the speculative and risk-tolerant investment demographic on the Launchpad platform, it may be important to encourage communication or conversion from Academy users. An ambassador program can work to foster healthy investor discussions and prevent onboarding or launching of speculative, pump-and-dump projects that can hurt **"Project A's"** image.
- **Conflict of Interest**: It may be important to limit interaction between Accelerator candidates and the Launchpad community. Although it seems like good leads for launch can be created between the two products, the level of inherent knowledge and trust for the launchpad community by accelerator participants can allow these projects to manipulate the launchpad crowd and create a conflict of interest in launching a project that may not be in the best interest of **"Project A"**.

Revenue Analysis

- **Launchpad Revenue**: It is not recommended to rely on Launchpad revenue and value of equity for sustaining long-term business functions. The industry is too unpredictable, and volatility is amplified in the token launch space.
- **Accelerator Revenue**: Although it may create a conflict of interest, incorporating a success fee based on small percentage of funds raised for accelerator candidates can create a powerful revenue stream that will help offset significant resources required to operate the accelerator.

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