

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

“The future is already here – it’s just not very evenly decentralized.”

– with apologies to William Gibson

by Benjamin Scherrey

February 3rd, 2022

version 1.1 revised May 25th, 2022

MONET – A UNIQUE DEFI/NFT PLATFORM

OPPORTUNITY TO DISRUPT THE NFT SPACE WITH DEFI CAPITAL

Copying existing platforms already popular and/or running on VC-backed EVMs is an expensive proposition with a questionable ROI – especially since the “state-of-the-art” in the NFT space is nascent and limited anyway. Adoption requires innovation.

BiggestFan Productions is launching an innovative DAO platform that both disrupts the NFT space and brings in a unique value proposition to DeFi investors that want exposure to NFTs without having to deal with the minutia of each NFT. Launching these capabilities on any EVM chain will bring precisely the kind of exposure required to showcase the true capabilities and potential of that chain’s ecosystem.

The platform is under development now and presently scheduled for an initial launch in April 2022. The white paper entitled “NFToken Operations & DeFi Bridge” describes the technical capabilities of the platform.

Investors & Project Owners will have the opportunity to invest in the project/BiggestFan Productions, be first in line to invest in projects launching on the platform, get access to our world class technical group to support critical Cryptolledger1 infrastructure, gain new traction for their existing DeFi products, and attain demand for and presence of bridges and DEX tools for several other EVM currencies to operate on the target EVM platform.

We believe this is going to be one of the first and most innovative crypto projects for 2022 and will serve as the foundation for many more to come keeping Monet.market ahead of the competition and bringing NFTs fully into the DeFi space as first class citizens.

Messari’s “Crypto Theses for 2022” predicts, “We’re witnessing a Cambrian explosion of innovation within the NFT space that is just getting started. I’m not sure how much longer the market for individual NFTs can bubble up, but I do know that reliable and ubiquitous NFT tooling is still largely missing. Marketplaces, financialization primitives, creator tools, community-oriented business models, and decentralized identity management / reputation management systems are all in their infancy. That core infrastructure will be one of the hottest areas of investment in 2022.”²

Our platform is that solution.

1. BiggestFan Productions sponsors the ActorForth group which has led significant improvements to the BCH ecosystem, led the Multiple OP_RETURN CHIP, brought best practice software engineering techniques, and created the Bitcoin Cash DevSuite tool set which now includes support for SmartBCH deployments and development. <https://devsuite.actorforth.org/>

2 Page 10 of <https://messari.io/pdf/messari-report-crypto-theses-for-2022.pdf>

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

HOW A ROYALTY POOL AUCTION WORKS

EVALUATING A ROYALTY POOL AUCTION

Our NFT bidder joins the active auction with the intent of winning a surprise box for a character NFT for the project's game. The auction is already underway (Active state) and various times for key events of the auction are displayed like the Start Time, "Sudden Death" Time, End Time, and Auction Bid Extension Time. The bidder can immediately determine that there are 100 NFTs available for sale and that there have been 150 bids placed thus far. The lowest ITM (in the money – meaning a bid that would win an NFT if the auction ended now) bid is 0.2 ETH, the highest 4 ETH, and the minimum ITM bid is 0.3 ETH. The system suggests a default proposed bid level but can also quickly offer pricing for different position preferences in the current auction state via the drop down menu.

The auction graph itself reveals the bidding action on the right and the state of the DeFi Royalty Pool (RP) participation on the left.

Looking lower, the bidder can see there are 4 ranks of NFT boxes occupying different segments of the auction identified by the labeled colored bars: S, A, C, & N. To get the more valuable boxes, the bidder will have to have his bid end up fairly high in the auction when it wraps up.

Beneath the auction graph is the timeline tracker where bidders can see how far along the auction has progressed. Different achievements (like financial goals, etc) may show up along the way.

HOW THE ROYALTY POOL SUPPORTS NFT VALUES

A light blue filled area and a dotted line cross both graphs indicating the guaranteed and potential floor price for NFTs in this auction due to participation in the Royalty Pool. The blue filled area at the 1.0 ETH level shows that right now, thanks to the Royalty Pool participants and current bid levels in the auction – a winning bidder is guaranteed to be able to liquidate any NFT won in the auction for 1.0 ETH if desired. The top line, "Current Max Sea Level", indicates that, given the current price levels of the NFTs, the guaranteed level could rise as high as 1.5 ETH if there was additional Royalty Pool commitment right now. The bidder can place a risk-free bid at 1.0 ETH right now!

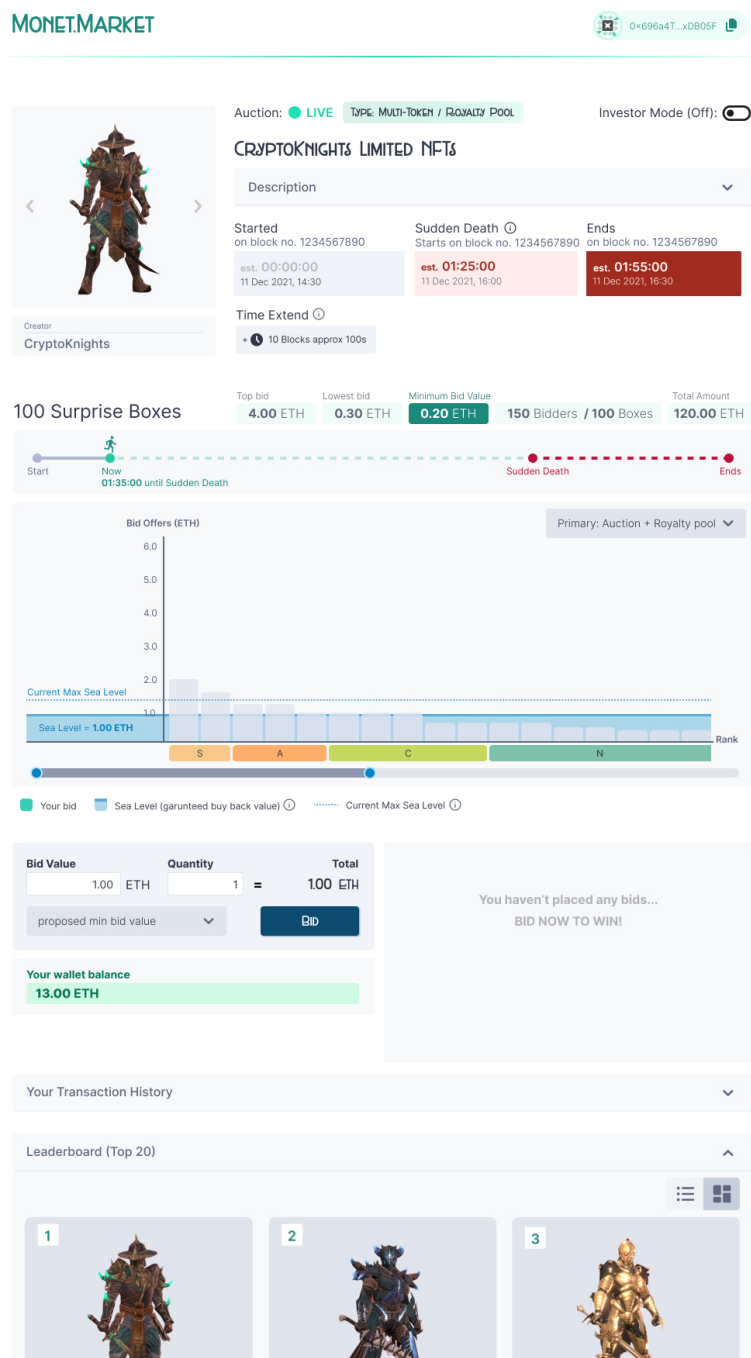


Figure 2:RP Auction Beginning

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

LEADERBOARDS

Scrolling further down the screen we can see an Auction Leaderboard showing the top bidders. Below that is an activity log showing the events and actions taken during this auction.

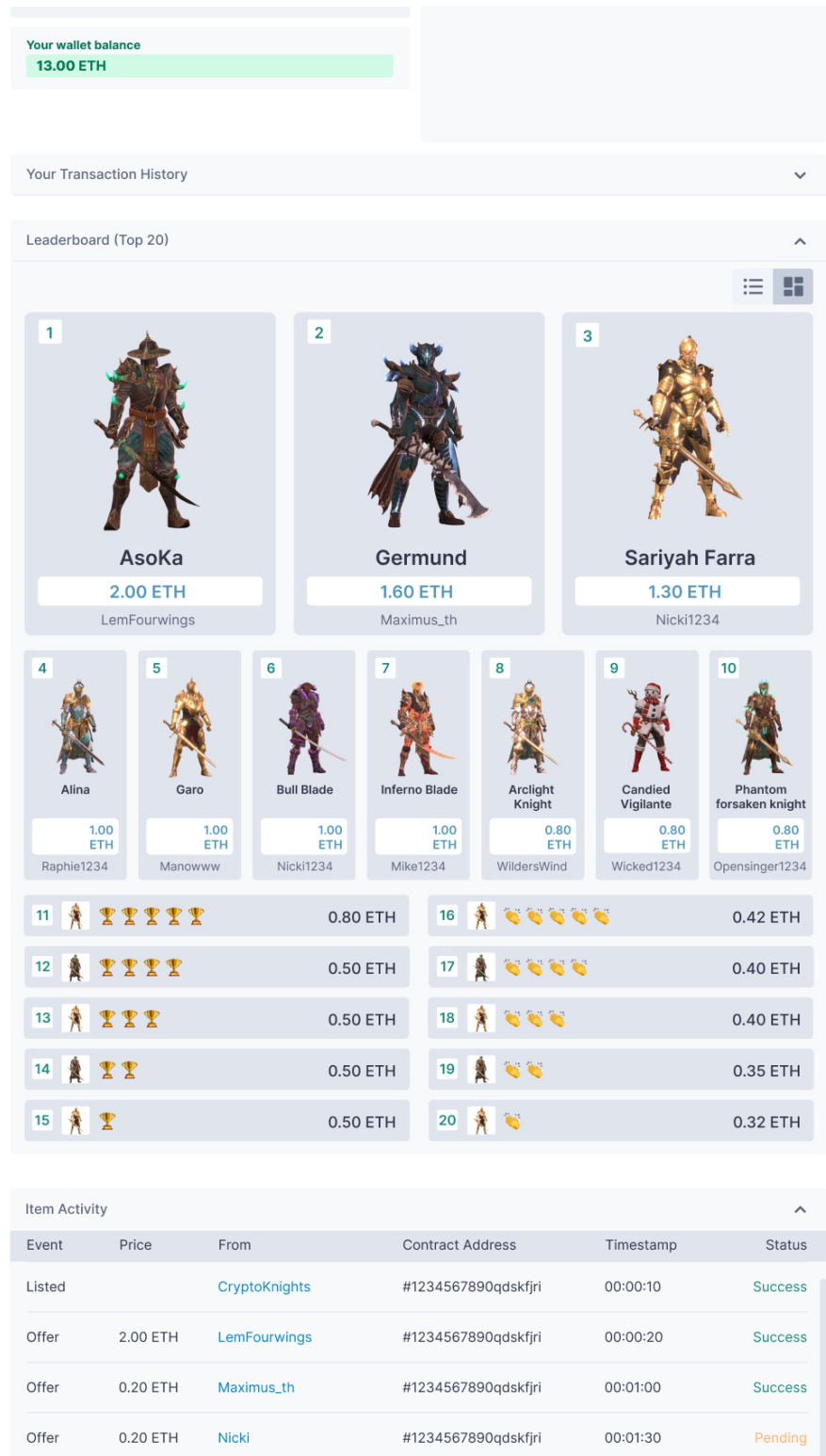


Figure 2:RP Auction Leaderboard

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

MAKING YOUR FIRST BIDS IN AN ACTIVE AUCTION

Now that the auction has proceeded along, our bidder presently has 4 active bids into this auction which can be scrolled through via the arrows. They are highlighted on the graph as the 4 turquoise colored bids.

Other bidding has taken place and the average size of the bids has increased which has also allowed the dam to open wider and the Royalty Pool to bring in more support for the NFTs. Presently any NFT now has a price guaranteed of 1.4 ETH thanks to Royalty Pool investors and increased bidding for the NFTs!

A new higher dotted line indicates that the Royalty Pool has enough investor commitment to provide price supports up to 3 ETH/NFT should the bidding levels raise high enough for the majority of the NFTs to hit that price.

Our bidder can now decide to increase the amount of any of his existing bids or add entirely new bids should he want to win additional NFTs.

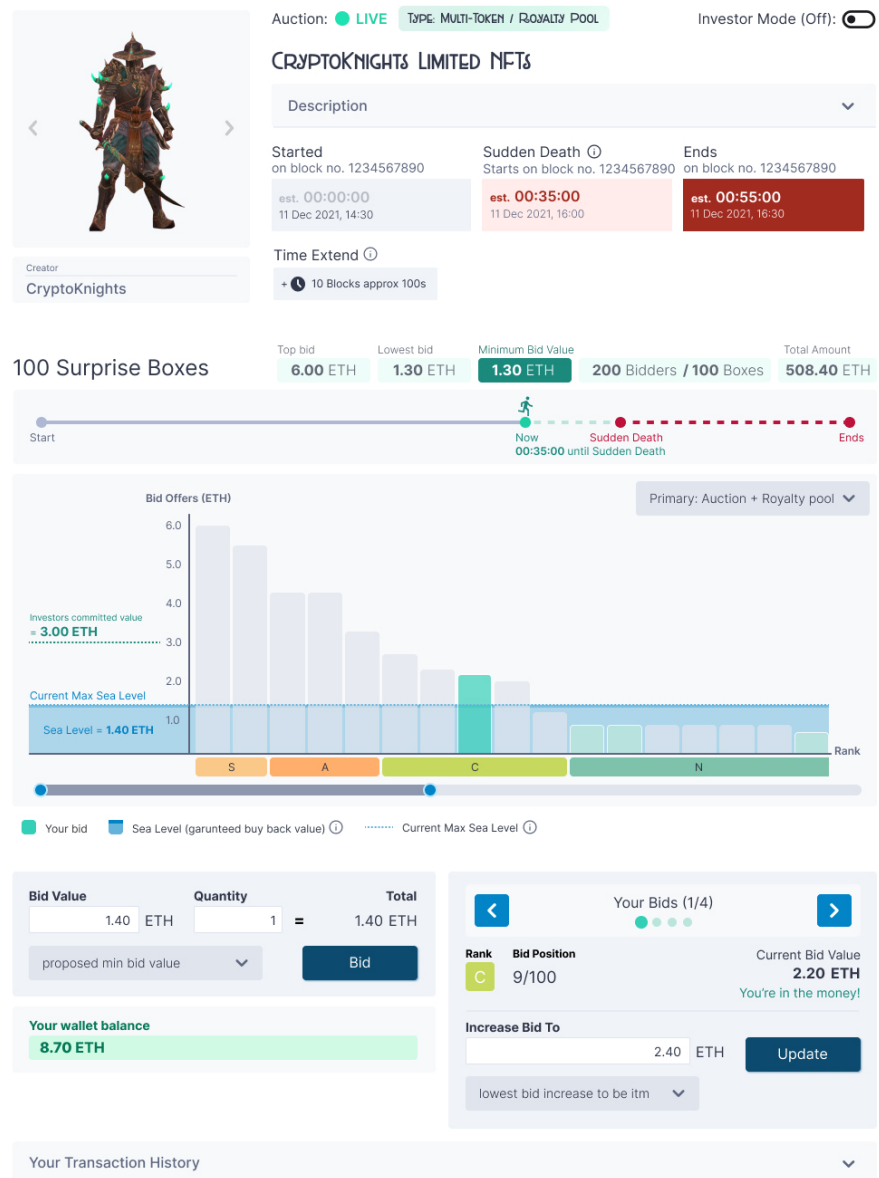


Figure 3:RP Auction Bidder has 4 Active Bids

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

Sudden Death

A key event is in the later stages of the auction when it goes into “Sudden Death Time”. Some time near the latter period of the auction it switches into Sudden Death time which means that all new bids must be higher than the average bid in the system. The red line on the graph indicates this by showing the price level which must be met to be a new valid bid. This incentivizes bidders to get in early because it now becomes more expensive to push the lower value bids out of the money (OTM). Also, the Time Extend indicates that any bid placed within the last 10 blocks or 100 seconds of the auction will cause the auction to be extended by a further 10 blocks from that point. This prevents last minute “snipe” bids from locking in a winning bid without giving other bidders a chance to get back in the money. All of these features work together to increase the total value captured in the auction for the project owner and ensures a fair chance to win an NFT for all participants.

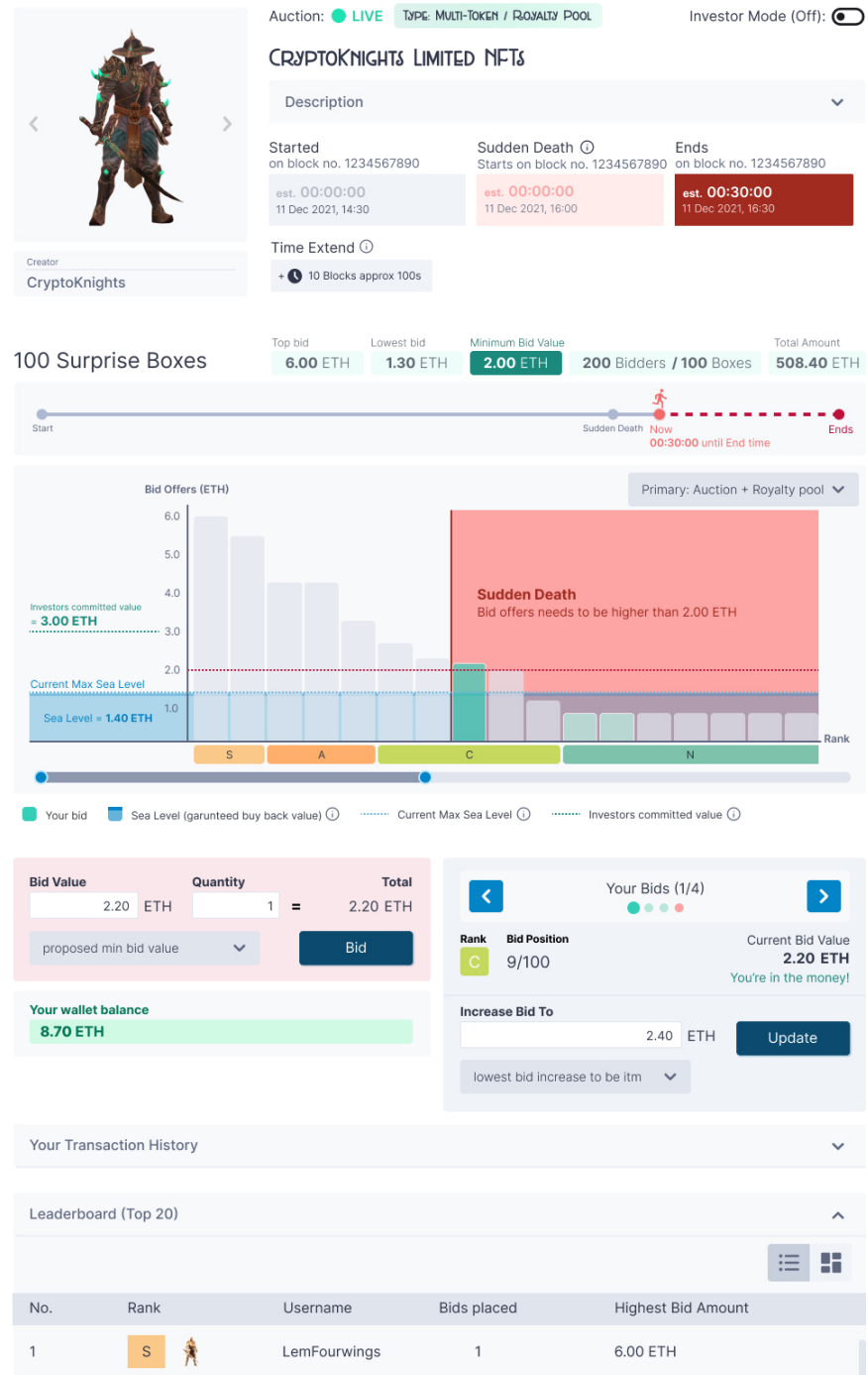


Figure 4:RP Auction Sudden Death Time

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

ROYALTY POOL PARTICIPANTS

Now we see a view of system from the DeFi investor's perspective. DeFi investors can now get exposure to the growing NFT investment opportunities without having to dig into the details of each individual NFT. By investing in the Royalty Pool (RP) rather than bidding on NFTs directly, the Degen receives a perfectly fungible asset that gets access to all the royalty income (from re-sale and rentals) for as long as the project is solvent and growing.

OrangeOutlanders has primed the pump by investing 100 ETH which provides a 1 ETH/NFT price support as the auction kicked off. To the left side of the damn there is no other investment in the queue presently. If more investment were added, up to a total of 140 ETH would be allowed in the pool while the rest is maintained in the pool until price action on the NFT bidding increases the amount allowed in through the dam.

There's also a leaderboard for the Royalty Pool participants. Below that is a full view of the NFT auction details so the RP participants can see exactly how the bidding action is occurring in real time.

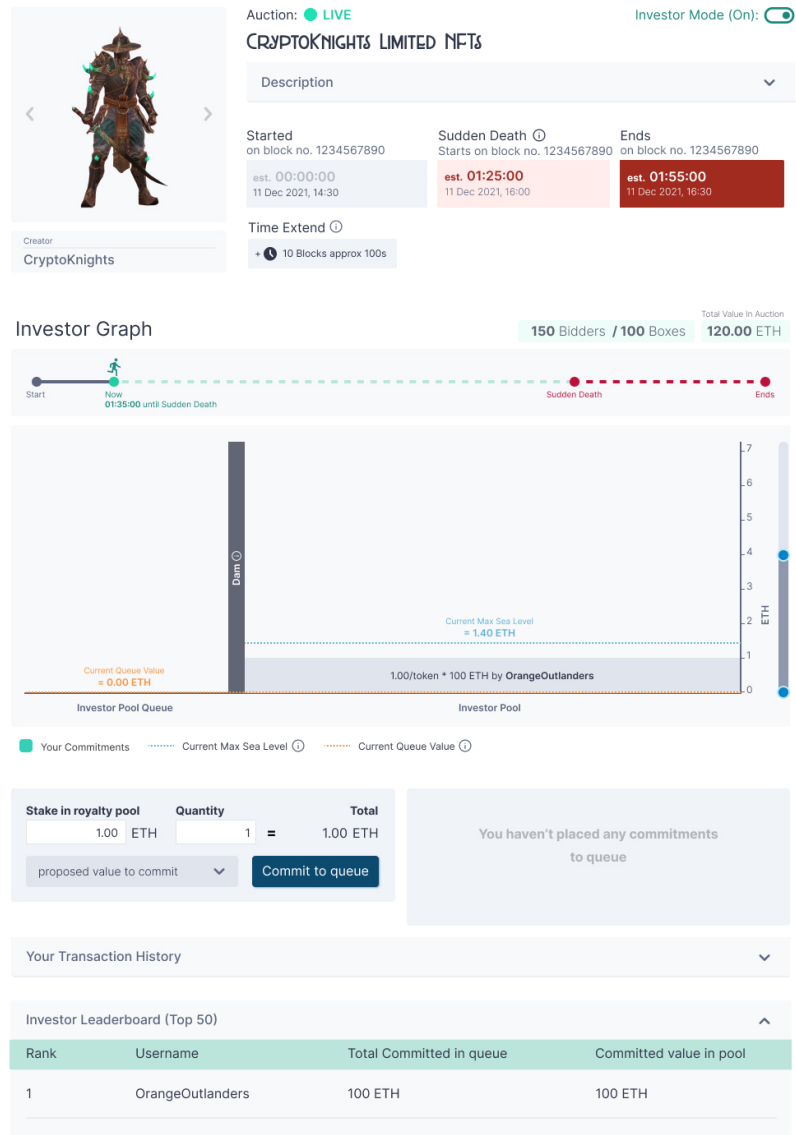


Figure 5: Royalty Pool at start of RP Auction



Figure 6: RP view of Auction

MONET.MARKET DEFI/NFT ROYALTY POOL AUCTION

ROYALTY POOL COMMITMENTS

As the RP Auction continues, more pricing action in the NFT bidding drives up the Sea Level of the NFT liquidation guarantee. It's now up to 1.2 ETH/NFT. The growth in the bidding interest in the NFT auction has also made the Royalty Pool itself more attractive. So much so that there is now a queue of investor commitment just waiting for the dam to open wider so they too can be participants in the Royalty Pool.

There is now enough RP commitment in the queue to push the NFT liquidation price guarantee up another 3 ETH which would bring it to a total of 4.4 ETH if enough bidders can push the prices up on the NFT auction side and force that dam open.

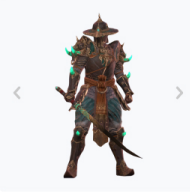
Defi investors who want to get into the pool need to make their commitments as early as possible so they don't get left out. When the auction ends, only the commitments in the pool will receive RP tokens that give them access to the NFT royalty dividends. Everything behind the damn will simply be refunded and they'll have to try for another Royalty Pool. Of course, they could choose to bid on NFTs in the auction in order to push open the damn themselves. Plenty of leverage opportunities with the RP Auction.

ROYALTY POOL CLOSURE

Once the auction is completed, all investors in the Pool will receive ERC-20 RP tokens in proportion to their investment and periodic payouts will commence immediately. RP tokens can be held to collect royalties or resold to exit the holder's position at any time. These RP tokens are backed by locked in assets that cannot be liquidated outside of the scheduled payment structure so make reliable instruments for loans, farming yields, and any other DeFi products.

MONET.MARKET

0x696a4T...xQB05F



Auction: LIVE

CRYPTOKNIGHTS LIMITED NFTs

Description

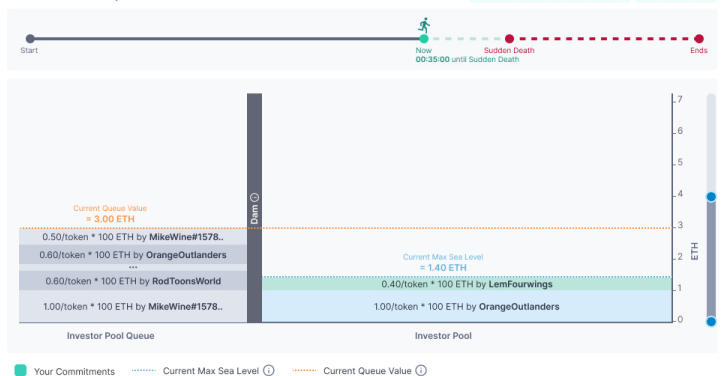
Started on block no. 1234567890
est. 00:00:00
11 Dec 2021, 14:30

Sudden Death ⓘ
Starts on block no. 1234567890
est. 01:25:00
11 Dec 2021, 16:00

Ends on block no. 1234567890
est. 01:55:00
11 Dec 2021, 16:30

Time Extend ⓘ
+ 10 Blocks approx 100s

Investor Graph



Stake in royalty pool

Quantity

Total

1.00 ETH 1 = 1.00 ETH

proposed value to commit

Commit to queue

Your Commit Offer (1/1)

Status

Time Stamp

Your Commit Offer Value

In Pool 03:55:00 0.40/token*100 = 40.00 ETH

Your Transaction History

Investor Leaderboard (Top 50)

| Rank | Username | Total Committed in queue | Committed value in pool |
|------|------------------|--------------------------|-------------------------|
| 1 | OrangeOutlanders | 100 ETH | 100 ETH |
| 1 | OrangeOutlanders | 100 ETH | 100 ETH |
| 1 | OrangeOutlanders | 100 ETH | 100 ETH |
| 1 | OrangeOutlanders | 100 ETH | 100 ETH |

Investor Commit Activity

| Event | Price | From | Contract Address | Timestamp | Status |
|-------|------------|------------------|--------------------|-----------|---------|
| Offer | 100.00 ETH | OrangeOutlanders | #1234567890qdsfjri | 00:00:10 | Success |

100 Surprise Boxes

