



district0x

Quarterly Report Q4 2017

January 12th, 2018

Contents

Mission, Vision, and Values

Product

Partnerships

Community

Compliance

Financials

Summary

Mission, Vision, and Values

In our first quarterly report in Q3 2017, we wrote a mission, vision, and values statement to serve as guiding lights throughout our growth and development as an organization. Including these at the beginning of every report sets the context for what we accomplish in each.

Our mission

Decentralize the ownership structures of the world's marketplaces.

Our vision

Deploy a platform for the creation and operation of communal marketplaces as decentralized entities, build network effects around the platform via a suite of ancillary services and by fostering a third-party developer ecosystem, and leverage these network effects to supplant privately controlled marketplaces with districts that allow for open participation in the governance of markets.

Our Values

1. **Transparency** - Open and honest communication provides each person the opportunity to contribute in the most meaningful way.
2. **Autonomy** - We supply the tools and information to do the job, but trust one another to get that job done.
3. **Inclusion** - We welcome participation from all colors and creeds, across all borders and nationalities. We are empowered by the diversity of our ideas because competition breeds strength.
4. **Decentralization** - We seek the path of broadest consensus, and work to align motivations through incentives, not instigation.

Product

Name Bazaar

The first month of the quarter was dedicated to finishing and launching [Name Bazaar](#). Name Bazaar is a peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.

The screenshot shows the Name Bazaar website interface. At the top, there is a dark blue header with the 'NAME BAZAAR' logo and the text 'ENS 420x ETH'. Below the header, a light blue banner contains the text: 'A peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.' Below this banner is a search bar with the placeholder text 'Enter Keyword' and a magnifying glass icon. Under the search bar are two buttons: 'View Offerings' and 'Create New Offering'. The main content area is divided into three columns: 'Latest' (green header), 'Most Active' (purple header), and 'Ending Soon' (pink header). Each column displays a list of names for sale, including the name, price in ETH, number of bids, and time left. A 'SHOW MORE' link is at the bottom of each column. On the right side of the 'Ending Soon' column, there is a circular 'NB HELP' button. At the bottom of the page, there is a footer with the 'district0x' logo and the text 'Part of the district0x Network'.

NAME BAZAAR
ENS 420x ETH

A peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.

Enter Keyword

View Offerings Create New Offering

Latest

Name	Price (ETH)	Bids	Time Left
blackjack.eth	99 ETH	0	9 Days Left
darkmarket.eth	221.5 ETH	1	1 Day Left
district.eth	17 ETH	Buy Now	
wallet.eth	12.35 ETH	Buy Now	
exchange.eth	101.2 ETH	Buy Now	

[SHOW MORE](#)

Most Active

Name	Price (ETH)	Bids	Time Left
openmarket.eth	14.98 ETH	1	9 Hours Left
tickets.eth	12 ETH	1	1 Days Left
trading.eth	149.22 ETH	0	11 Hours Left
registry.eth	67 ETH	0	13 Hours Left
internet.eth	87 ETH	0	1 Day Left

[SHOW MORE](#)

Ending Soon

Name	Price (ETH)	Bids	Time Left
mywallet.eth	1.23 ETH	1	9 Hours Left
payment.eth	19.2 ETH	0	11 Hours Left
lending.eth	42 ETH	0	13 Hours Left
coinmarketcap.eth	63.7 ETH	1	1 Day Left
contracts.eth	87.2 ETH	0	9 Days Left

[SHOW MORE](#)

NB HELP

district0x Part of the district0x Network

In anticipation of the full release of Name Bazaar, [we hosted a contest](#) whereby ENS domain name holders were able to submit a list of their funniest and most original owned names in order to receive early access to list those names for sale. The launch went by without a hitch, and thus far over 3000 names have been listed for sale or auction on Name Bazaar.

Development has continued post-launch to include several improvements and new features. Database optimizations, reliable server-side syncing and a slew of new devops tooling and monitoring have been developed. New search filtering and auction functions were made available to Name Bazaar users. A [name management page](#) was introduced, providing users with a convenient place to manipulate and transfer between their collection of names and addresses.

Point Name to an Address

Name

mywalletname

.eth

Address

0x2d3b6e4a27c13115e8dba02606aeffe488e6c7

You are not owner of this name

Pointing your name to address will allow others to send funds to mywalletname.eth, instead of hexadecimal number.

Before you can point your name to an address, you must setup resolver for your address.

Setup resolver

Point Address to a Name

Name

.eth

Address

0x2d3b6e4a27c13115e8dba02606aeffe488e6c7

Your address 0x2d3b6... will be pointing to chosen name. This will help Ethereum applications to figure out your username just from your address.

Before you can point your address to a name, you must setup resolver for your address.

Setup resolver

Create Subname

Name

tld

.eth

Subname

subname

You are not owner of this name

You can freely create any number of unique subnames from your currently owned name. Each subname can be traded, transferred or pointed same way as any other ENS name

subname.tld.eth will be created

Create Subname

Transfer ownership

Name

myprecious

.eth

Address

You are not owner of this name

By transferring ownership you're giving full control over ENS name as well as its locked funds to a new owner

Transfer ownership

Partnerships

In Q3 2017, we secured a long list of partnerships. In Q4, we began executing on them.



[Aragon](#) is an operating system for decentralized entities. Every time a district is deployed on the district0x Network, a deposit pool will be created and a corresponding entity will be launched on the Aragon Network, allowing token holders to stake their tokens to the deposit pool to mint governance rights in the Aragon entity, which can be utilized to propose and vote on aspects of the district.

In preparation for the launch of both Aragon and Meme Factory to the Ethereum Mainnet, the district0x and Aragon teams have been meeting to coordinate on an initial MVP specification for Aragon entities that will allow participants in the district0x Network to stake tokens to a Meme Factory entity. In return for staking, token holders will receive proportional voting rights that they can then use to signal towards resolution of issues raised to the community via polls, similar in spirit to the current [voting dApp](#).

Community

The district0x Network is an open cooperative and very much a community-driven effort. The project roadmap is not considered complete until all decision-making powers have been turned over to token holders. Given such, attracting and maintaining an engaged community of supporters is key to the success of the district0x Network.

District Digest Streams

Significant focus has been given to the [livestream](#) this past quarter, as it became apparent that the more “human” touch was in high demand for some community members. We reduced the number of regular weekly streams from two to one, but began hosting guests from various projects in the ecosystem that our community might take interest in. We also expanded the stream to several platforms including [Twitch.tv](#) and [Facebook](#) in addition to [YouTube](#) and [Mixer](#).

Slack/Rocket.chat

Following our move to an invite-only model for Slack, we also established a [Rocket.chat server](#). Rocket.chat is an open source, roll-your-own style chat that offers the familiar usability of Slack, but with significantly more configuration options. This allows us to, for instance, completely turn off DM's between regular users, eliminating the threat of scams present on Slack.

Telegram

[Telegram](#) continues to be the dominant chat platform amongst newly arriving members for Q4. In order to better serve these members, we introduced a chat bot that will help curious newcomers find the FAQ, learn about district proposals, or access other resources. We also added bridges between chat rooms on Slack, Telegram, and Rocket.chat, allowing users to chat across platforms and tying the entire community together.

Twitter

Our [Twitter](#) experienced unprecedented growth throughout Q4. At the time of our Q3 report we had just over 17,300 followers; we have over 46,500 followers - a 270% growth rate. This is partially thanks to our account getting fully verified by Twitter, and the explosion of growth in the space at the close of the year.

Reddit

The [district0x subreddit](#) allows our community to participate in long-form asynchronous communication. We've hosted several AMAs, and field questions ahead of time for our live stream guests. At over 6200 subscribers, we've seen a nearly 50% increase since last quarter.

Medium

Medium continues to be the core team's primary tool for official updates to the community. Alongside the [The District Weekly](#), and [Dev Updates](#), we've also begun a [District Spotlight](#) to highlight the various [District Proposals](#) we receive from our community. Followers have eclipsed 2,000, with 900 unique visitors daily.

Inbox Insider

In Q3 we added the Inbox Insider which rounds up all of the various updates and highlights and places them in neat recap making it easy for those who wish to stay involved with our progress via email are able to do so. We've got over 3,000 subscribed in total.



Compliance

At district0x, we agree that Ethereum must be about more than “lambo memes and immature puns.”¹ Since the launch of Ethlance in January 2017, we have been committed to creating, and later partnering with, functional dApps that advance the blockchain’s potential to disintermediate a wide range of human interactions. Each district on our network offers genuine utility. The success of those districts depends upon the efforts, talents, and creativity of DNT holders, channeled through participation in our various community initiatives and leveraging the decision-making power of Aragon.

With explosive growth of ETH and other cryptocurrencies during Q4 2017, we have closely followed developments in regulation of the broader blockchain industry. The current regulatory landscape is murky, and is complicated by the uncoordinated efforts of a number of governments. At times, those efforts seem to run at cross-purposes with the ability of blockchain technology to reach across borders, disintermediating portions of the global economy which have until now remained beyond the reach of many.

Yet, regulation will play an essential role in ensuring the promise of Ethereum is fulfilled. For a technology with so much disruptive potential, regulation will help Ethereum gain mainstream acceptance, combat the misperception that the technology somehow lends itself to criminality, and ensure actors who associate themselves with Ethereum act in ways that genuinely benefit the community.

While there may be some gray areas in the regulatory landscape, many areas are not only black and white, but are both easy to support and consistent with how district0x has operated since our founding. For example, eschewing paid ads promising outsized token returns, shunning the use of celebrities to promote token offerings, ensuring developers follow-up on claims made in whitepapers, requiring extensive security reviews before token offerings, and taking care to avoid any action that might violate either the letter or the spirit of anti-money laundering and sanctions laws are basic principles on which all responsible members of the Ethereum community should agree.

While the global regulatory landscape will need to evolve to account for the realities of blockchain-based technology, we believe regulation will, on balance, be a good thing for responsible dApps interested in long-term progress, versus those prioritizing short-term speculation. district0x counts itself among former. In Q4 2017, we undertook efforts to bolster our own understanding of the regulatory environment, including how to institutionalize post-ICO compliance and ensuring those we partner with share our views. Moving forward, we seek broader engagement, both within the district0x community beyond, with like-minded developers. Our goal is to not only meet regulatory requirements, but ensure the evolving regulatory landscape takes into account the interests and perspectives of developers.

¹ Vitalik Buterin, <https://twitter.com/VitalikButerin/status/945988644661207040>

Financials

Balance Sheet

ASSETS

CURRENT ASSETS	Q1 2017	Q2 2017	Q3 2017*	Q4 2017**
ETH	-	-	\$13,263,765	\$52,771,976
DNT	-	-	\$7,500,636	\$50,587,560
DATA	-	-	-	\$1,122
OMG	-	-	\$123	\$346
Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Temporary Investments	-	-	-	-
Prepaid Expenses	-	-	\$30,917	-
Other Current Assets	-	-	-	-
TOTAL CURRENT ASSETS	\$0	\$0	\$20,795,441	\$103,361,004

* USD Value on 10/8/2017 on [Etherscan](#)

** USD Value on 1/12/2018 on [Etherscan](#)

Income Statement

INCOME	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenues	\$0	\$0	\$13,465,421	\$0
Asset Appreciation	\$0	\$0	\$0	\$39,697,280
Cost of Goods Sold	\$0	\$0	\$0	\$0
GROSS PROFIT	\$0	\$0	\$13,465,421	\$39,697,280

EXPENSES	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Contractor Wage Expenses	\$0	\$0	\$140,744	\$178,430
Technology and Development Expenses	\$0	\$0	\$22,419	\$129
Marketing and Sales Expenses	\$0	\$0	\$5,841	\$2,999
General and Administrative Expenses	\$0	\$0	\$32,652	\$6,911
Other Expenses	\$0	\$0	\$0	\$600
TOTAL EXPENSES	\$0	\$0	\$201,656	\$189,069
OPERATING PROFIT	\$0	\$0	\$13,263,765	\$39,508,211

Summary

The final quarter of 2017 was marked by the success and excitement of the Name Bazaar launch. The team quickly fell into a productive rhythm on both the operations side as well as the development side of the house, even after tripling in size. The end of the quarter brought us time to recoup and prepare for our biggest year yet in 2018. We've laid the foundation, and are now beginning to scaffold and frame the pieces of our grander vision. The district0x team, community, and partners will march ever closer towards our mission of decentralizing the ownership structures of the world's marketplaces.

Joe Urgo
joe@district0x.io

Learn More

For more information about the district0x Network:

- Check out our [white paper](#)
- Watch our [introduction video](#)
- Subscribe for [email updates](#)
- Follow us on [Twitter](#)
- Join us on [Telegram](#)
- Subscribe to our [subreddit](#)
- See our [live stream recordings](#) on YouTube