

This is a Draft. Details are not Final.



## Storj Crowd Sale

To fund development and research of the Storj network, we will be launching a crowd-sale. This will allow users to contribute directly to the success of the network. When a user contributes to a Storj genesis address, they will receive two tokens that are pegged to the value of their Bitcoin donation.

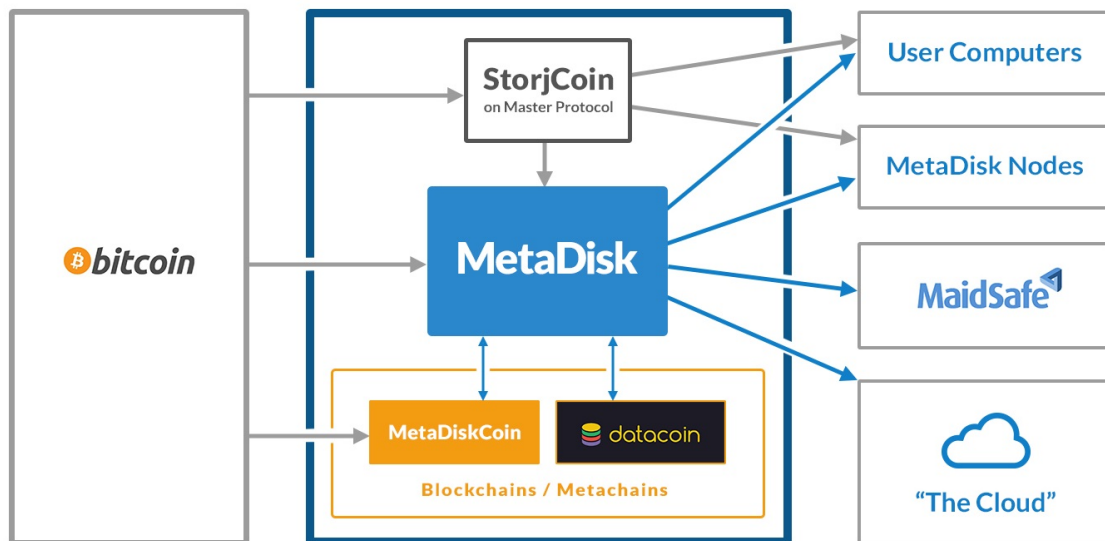


Fig 1. Q3 2014 Ecosystem

### Storjcoin 0 (SJ0)

The first token, called Storjcoin 0, or SJ0, will run on the [Mastercoin protocol](#). It will be immediately tradeable on the [MasterXchange](#), and will be redeemable for storage space and

bandwidth at [Metadisk](#) nodes. Because this coin is not mineable, it should be more isolated from the typical “pump and dump” that tends to happen at the launch of a new coin. It therefore will be a more stable store of value for the Storj network. Storjcoin will later be automated into the protocol to provide value for rented and sold storage space.

### **Metadiskcoin (MDC)**

The second token, called Metadiskcoin, or MDC, will be a fork of [Datacoin](#). It will be tradeable on various altcoin exchanges, and also redeemable for storage space and bandwidth at Metadisk nodes. It is mineable via a standard Primecoin Proof-of-Work. If network difficulties arise, a Script Proof-of-Work and/or Proof-of-Stake will be implemented.

Metadiskcoin is a cryptocurrency whose blockchain is used as a store of metadata for Storj. Unlike other cryptocurrencies that only allow approximately 80 bytes of metadata, Metadiskcoin allows for up to 1 kilobyte of metadata. This data is then used to drive distributed applications.

Blockchain bloat affecting usage is solved by sending the data for a particular application to a specific coin address. The application just needs to be able to read the data, and therefore does not to verify inputs and outputs. Therefore an application only needs the blockchain headers, and the transactions stored at addresses it listens to.

For more information about blockchain technology behind Metadiskcoin please visit:

<https://github.com/Storj/Metadisk/wiki>

### **Future Issuance**

Rather than promising a magical decentralized storage network that works perfectly, and take months if not years to develop good software, we believe that Storj should be an incremental process. The Storj network and software should be released a portion at time, and be built in such a manner so each part is easily replaceable, upgradable and backward compatible. This is a similar strategy to that of tech companies, like Facebook, which are always making daily tweaks to their UI and backend tech. Unlike most tech companies, Storj is open source, so changes and features will be driven by community involvement and interest.

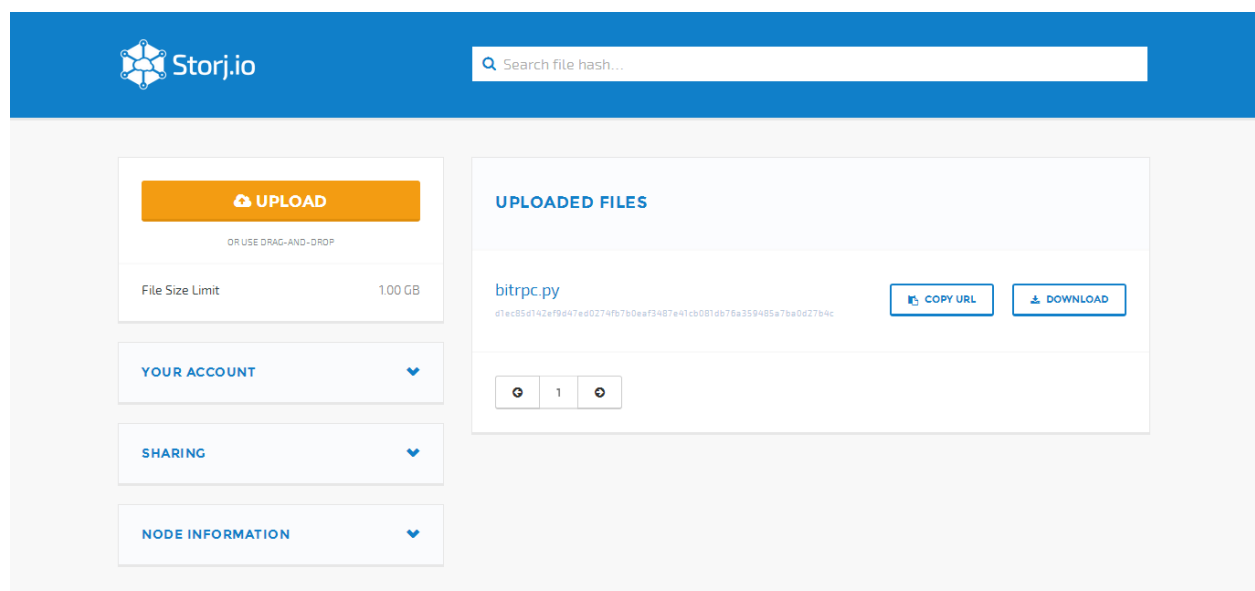
To reward early supporters, future coins released by the Storj project will have at least 10% of new coins reserved for participants in the first crowdsale. This will be split 5% for Storjcoin 0 and 5% for Metadiskcoin for a total of 10% in the new coin's total coins. User will just need to import their private keys into the new coin to get their new coins.

This will allow us to build new tokens and blockchains for economic and development purposes while still rewarding our backers.

## **What is Metadisk?**

Metadisk is a non-technical user interface for the Storj decentralized cloud storage service. It is also used as a development platform for the storage network. Metadisk's simple yet powerful design and functionality is designed to be used by tech-savvy and non tech-savvy individuals alike, aiming to make interaction with Storj possible for anyone who desires to use the network for its cloud storage service.

Metadisk is the first storage-focused blockchain-distributed application, which means that there is no central authority or entity that controls its activities.



**Fig 2. Screenshot of Metadisk**

After the file is encrypted and uploaded, a SHA-256 hashing algorithm will be applied, which produces a hash of the file that serves both as a unique identifier and a way to detect file tampering. The generated hash will then be stored in a block chain entry. Metadisk communicates with the Storj network to find available storage resources, then transfers the encrypted file to three (3) separate locations. This 3-time storage complies with the cloud storage redundancy standard. Because all data that enters the network is encrypted, malicious nodes and thieves cannot open, copy or modify files because they do not have access to the decryption keys for the data.

The current functions and specifications that Metadisk offers are just a small prototype of Storj. Metadisk allows us to experiment with many methods and algorithms, while still providing security, privacy, scalability, and cost savings for users over many current cloud storage systems.

## Token Details

### Storj Genesis Addresses

A Bitcoin genesis address will be created for the Storj crowd-sale. Users can donate Bitcoins to this address, and receive two of the initial tokens for the Storj network. We would like at least a total of 10,000 BTC. We feel this should be sufficient to fund development of a robust and stable Storj network. A user will receive 35000 SJ0 and 667.8 MDC per Bitcoin donated. If 10,000 BTC is reached, the crowd-sale will end. If the 10,000 BTC goal is not reached after 30 days, then the unsold coins will be placed into the developer pool.

### Storjcoin 0 (SJ0)

- Algorithm: Mastercoin Protocol
- Block Time: 10 minutes
- Total Coin: 500,000,000 SJ0

### Metadiskcoin (MDC)

- Algorithm: Primecoin PoW
- Block Time: 1 minute
- Block Reward: 5-50 MDC
- 9,540,000 coins distributed in the crowd-sale

## Token Distribution

### Coin Distribution

Applies for both SJ0 and MDC.

- Bitcoin Purchases Fixed - 70% of coins
- Developer Pool - 15% of coins
- Community Pool - 15% of coins

## **Developer Pool**

Coins allocated to run the prototype networks for the Metadisk nodes, offer bounties, and reward developers.

## **Community Pool**

We believe that our community should have the same, or more, influence over the Storj network than the developers. We have seen crowd-sales before where the developers hold a majority of the coins. Users may want a specific bounty, or perhaps to advertise in a certain way. They then have to ask permission of the developer group. It shouldn't be this way. The community should be able to come up with ideas and execute them, while the developers focus on actual development.

In this portion of the project, we are doing something a little new. The community will have the power to spend their own pool of SJ0 and MDC on whatever they please. This could be toward a specific development, tipping, or even sponsoring a large event like NASCAR. Furthermore, the community will receive an initial 100 BTC to also spend as a part of their pool.

Community members will have to self-organize and use methods such as voting to decide whether they should do a particular action. Funds will be held with the developers until the community grows to sufficient strength. SJ0 and MDC will then be transferred to community leaders, and the BTC will be most likely be managed by a multi-signature [Cosign](#) wallet.

We will use multi-signature Bitcoin wallets to internally safeguard our Bitcoins. We will utilize Armory offline cold storage wallets as well as Cosign to secure the Bitcoins.

# **Crowd Sale Rewards**

## **Early Access to Metadisk**

Those who sign up for our beta list for Metadisk and participate in the crowd-sale will be given early access. These users will give valuable feedback on the first blockchain-based distributed application.

## **Early Space Sellers**

Metadisk allows end users to buy space from the network. Once the Metadisk network is stable, we will be offering crowd-sale participants tools to be able to sell their extra hard drive space to the network.

## **Storjcoin 0**

Participants will receive 35000 SJ0 per 1 BTC donated. At the end of the crowd-sale, these tokens can be used to purchase storage space from Metadisk. These coins will be used to buy and sell space on the Storj network.

**Metadiskcoin**

Participants will receive 667.8 MDC per 1 BTC donated. At the end of the crowd-sale these tokens can be used to purchase storage space from Metadisk. These coins are used to run distributed applications, and have use outside of the Storj network.