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. In return for their donation users will receive two tokens, pegged to the amount of Bitcoins they contributed to a Storj genesis address.
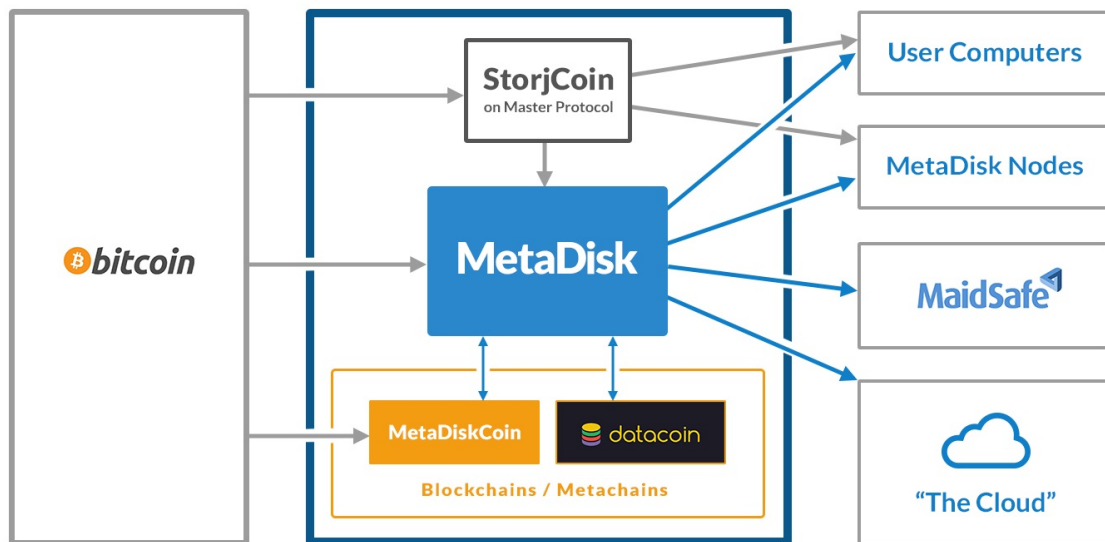

Fig 1. Q3 2014 Ecosystem

Storjcoin 0 (SJ0)

The first token called Storjcoin 0, or SJ0, will run on the Mastercoin protocol. It will be immediately tradable on the MasterXchange, and redeemable for storage space and bandwidth at Metadisk nodes. Because this coin is not minable, it should be more isolated from the typical "pump and dump" that happens at the launch of a new coin. It therefore will be a more stable store of value for the Storj network. Storjcoin will be later automated into the protocol to provide value for rented and sold storage space.

Metadisk Coin (MDC)

The second token, called Metadisk Coin, or MDC, will be a fork of Datacoin. It will be tradable on various altcoin exchanges, and also redeemable for storage space and bandwidth at Metadisk

nodes. It is minable via a standard Primecoin Proof of Work. If network difficulties arise a Scrypt Proof of Work and/or Proof of Stake will be implemented.

Metadisk Coin is a cryptocurrency whose blockchain is used as a metadata store for Storj. Unlike other crypto currencies that only allow approximately 80 bytes of metadata, Metadisk Coin allows for 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 an 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 Metadisk Coin 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 it such a manner so each part is easily replaceable and upgradable and backward compatible. This is a similar strategy to 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 Metadisk Coin for a total of 10% in the new coins 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 but powerful design and functionality is designed for use 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.
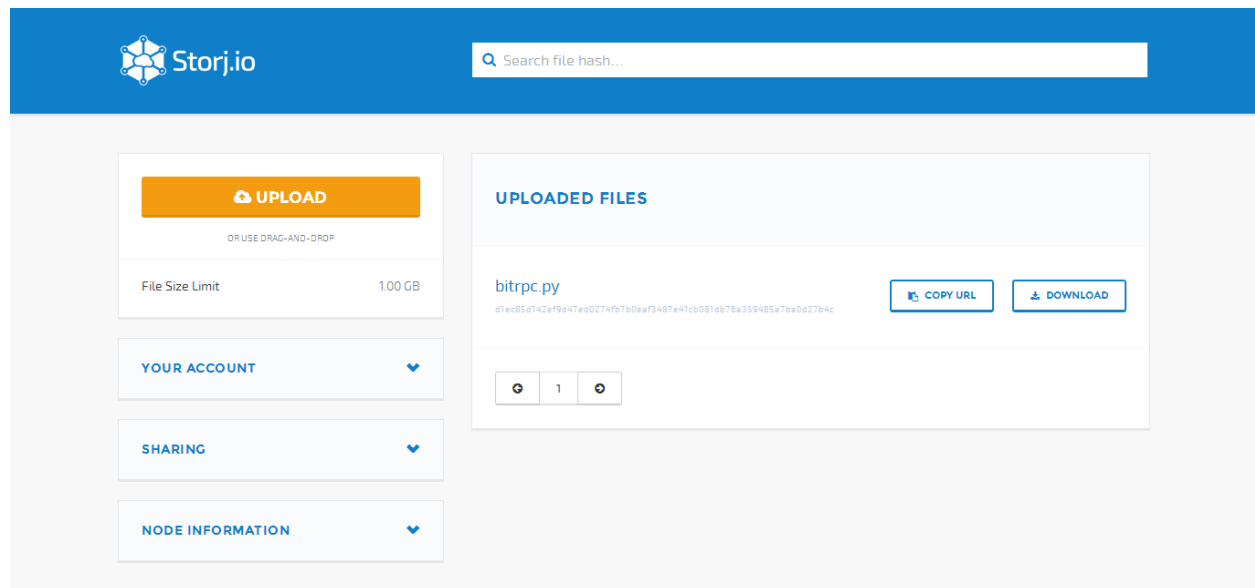

Fig 2. Screenshot of Metadisk

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 them.

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 user security, privacy, scalability, and cost savings 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 crowdsale will end. If 30 days after the crowdsale begins, the 10,000 btc goal has not been met, 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

Metadisk Coin (MDC)
- Algorithm: Primecoin PoW
- Block Time: 1 minute
- Block Reward: 5-50 MDC
- 9,540,000 coins distributed in the crowdsale

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 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've 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.

To this end 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 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 like voting to decide whether they should do a particular action. Funds will be help with the developers until a 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 multisignature bitcoin wallets to internally safeguard our bitcoins. We will use Armory offline cold storage wallets as well as Cosign to secure bitcoins.

Crowd Sale Rewards

Early Access to Metadisk
Those who sign up for our beta list for Metadisk, and participate in the crowdsale 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 crowdsale 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 crowdsale 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.

Metadisk Coin
Participants will 667.8 MDC per 1 BTC donated. At the end of the crowdsale 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.