

NFT-DAO Business Model Report

15/4/2021

# Our Mission Statement

NFT-DAO envisions an open-source composable NFT framework native to Cardano for all instead of multiple point solutions only benefiting some.

NFT-DAO envisions a comprehensive NFT strategy and open-source framework that enables all users (technical and non-technical) to easily deploy industry specific tokenized asset marketplaces.

We seek an organized community effort to fully define comprehensive requirements for the penultimate NFT platform of any blockchain and build it as a Cardano asset anyone can use to build their specialized marketplaces or NFT solutions upon. We can build better together.

The goal is to consolidate over 40 NFT projects on Cardano by building a BOXCAR - Cardano is the rails: a solid blockchain foundation, basically a financial operating system you can build on top of. The boxcar rides on these rails. It's basically a container, it can contain any NFT business (marketplaces, collectibles, games, DeFi, Metaverse; “Every consumer product that cannot be eaten are NFTs”).

# Introduction

In this document we present a summary of our market research and analysis with a primary focus on revenue streams. In the next sections we report (1) case studies of different NFT business models, (2) an analysis of the business models of relevance to NFT-DAO, (3) recommendations for different revenue streams, and (4) concluding remarks on our tokenisation model, DAO structure and Holonic Enterprises.

# Case Study Analysis

There are many NFT projects which have launched with considerable success (see our [spreadsheet](https://docs.google.com/spreadsheets/d/1LkxWu9vfqhs_f71IbWDSJGZ_WsejpFtoGH4BCy4cWtE/edit#gid=666431664)). By analysing these extant marketplaces, we will draw on successful strategies to implement a rolling suite of NFT-DAO driven offerings: 1) **Boxcar** (marketplace for all types of NFTs), 2) **IP assets** (by leveraging digital authentication of assets on the blockchain ledger), 3) **Tailored Services,** and 4) **Consultancy**. (on NFT’s and DAO governance establishment).

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Primary focus** | **Protocol** | **Description** |
| OpenSea | Marketplace (non-curated) | ETH | Largest marketplace for NFTs |
| CryptoKitties | Collectibles | Flow | Digital cat game |
| Decentraland | Metaverse | ETH | VR, world-building game |
| NBA Top Shot | Collectibles | ETH | Marketplace for sports highlights |
| NFTfi | DeFi | ETH | Decentralized P2P marketplace for crypto-loans |
| WAX | Marketplace  DeFi | WAX | In-game collectibles and NFTs  Liquidity Pool |
| Rarible | DAO for NFT’s | ETH | Community-owned NFT marketplace |
| Flamingo | DAO for NFT’s | NEO | FLAMINGO aims to support, purchase, archive, collect, and potentially tokenize important pieces of this ecosystem. |
| ERGO | NFT Auctionhouse | ERGO | Platform for selling Ergo NFTs |
| Aragon | DAO Market | ETH | Software as a service solution to manage DAOs governance |
| Mintable | DAO for NFT’s | ETH, ZIL | NFT marketplace (backed by Mark Cuban) throwing a wide net attempting to be the go to NFT store minting solution for music, membership, services, gaming, tickets, art, news, photography, and product. |
| Nifty Gateway | NFT Market | ETH | Centralized and exclusive curated marketplace to buy and sell NFTs. Known for its drops , the largest NFT sale ever from Beeple for 69mio and its collaboration with Sotheby´s |
| Foundation | NFT Auctionhouse | ETH | NFT marketplace, curated artists who went through an onboarding process only |

## OpenSea (Ethereum)

For OpenSea marketplace, the wide outreach and large collaborations keeps the revenue stream simple: just charge commissions. Buyers have no fees, but sellers pay 2.5% to OpenSea for each sale; this is low compared to others (10-15%, see [spreadsheet](https://docs.google.com/spreadsheets/d/1LkxWu9vfqhs_f71IbWDSJGZ_WsejpFtoGH4BCy4cWtE/edit#gid=666431664)). However, gas fees are often excluded. To overcome high gas fees, we expect developments for most platforms to include other non-ETH protocols such as FLOW or WAX. As there should not be high gas fees for Cardano’s extended UTXOs, we should expect more competition in establishing the first Cardano marketplace. In addition, we should start with a niche market and figure out our comparative advantage.

* Includes collectibles, gaming items, domain names, and digital art;
* Includes NFTs from CryptoPunks, Sorare, Hashmasks, Raribel, SuperRare, CryptoKittes, and Decentraland;
* Includes 241 payment options for custom currencies;
* NFT Bundle sale;
* Fixed-price listing, declining auction and highest bid auction;
* Future support for Flow protocol.

## Cryptokitties (Flow)

Cryptokitties is a historical collectibles platform that gained the most popularity back in 2017. In the game, players can buy new cats from the game’s market, trade, and breed virtual cats by mating two cats they own or with a public cat. Cats have different properties and rarities. Each kitten on the game has a “256-bit genome that holds the genetic sequence to all the different combinations kittens can have.” These include color, whiskers, and beards. The automation eliminates the need to hire artists to maintain a sustainable NFT production. Additionally, in contrast to art, collectibles generally have historical machine-code data on-chain which could spawn potential machine-learning use cases in the future.

* Automated collectible properties/rarity randomness generator;
* Flow blockchain, interoperable with ethereum.

## Decentraland (Ethereum)

Created in 2015, Decentraland is a VR (metaverse) platform on the Ethereum blockchain. Decentraland users can buy and sell digital real estate, but also partake in different activities e.g. gambling in a casino, join an NFT auction, see live concerts. With enough effort, any real-world event can be replicated in-game and from it an endless potential for revenue can be imagined. However, there is a lack of engagement owing to the bugginess of the game due to browser-based limits of functionalities and performance. A desktop-based program is likely required but could limit user adoption. Decentraland offerings include:

* Buying and selling digital real estate;
* Interactive apps, in-world payments and peer-to-peer communication for users;
* LAND token for land and MANA token for goods and services (in-game currency);
* MANA holders can vote on content moderation, token economics, height limit/size of land parcels;
* Transactions, ownership, governance on ETH, decentraland itself is run on community-owned content servers;
* NFT auction can run within Decentraland itself (see [7:40](https://www.youtube.com/watch?v=CShLE6xg-7M));
* Any real-world events can be replicated in-game (concerts, auctions, casino, parties);
* Lack of engagement in an “empty world” due to browser-based functionality limitations (i.e., VR solutions available on the desktop version, but this may limit adoption).

## NBA Top Shot (Flow)

NBA Top Shots is a type of collectible that’s self-sustaining as it captures sports/esports moments/events that continually updates with time. The moments are sold in packs or via auctions (see [3]). The game became very popular. From Oct 2020-Feb 2021 sales have grossed over $230 mil. We would expect this to gain traction in other sports/eSports (i.e., League of Legends, DoTa, CS:GO, Fortnite etc). NBA Top Shots offerings include:

* Collect, showcase, and trade “in-game moments which capture moves made on the

real court.” (fantasy football-like popularity/longevity)

* Bundle sale, high-tiered auctioning (see [3])
* Connect with other teams, branding, sponsors of real sports/esports
* Similar project “Bayern Munich FC with Stryking.io and Paris Saint-Germain FC with Sorare.”

## NFTfi (Ethereum)

NFTfi is a decentralized peer-to-peer marketplace for crypto loans that use NFTs as collateral. Users can borrow or lend ETH or the DAI stablecoin. Borrower options are available for:

* Investors with 20 ETH worth of NFT’s sitting dormant and who want to invest in other projects (i.e., Top Shots);
* Investors with margins elsewhere and who want liquidity to cover short positions;
* Those who need real world capital;

Lender types include:

* For Yield/profit (average 80% APR);
* Acquisition/Flipping strategy: Offer 50% market value on NFT they like, hope borrowers default (investors/DAOs, typically on established blue-chip expensive NFTs).

Risk factors:

* Providing a proper valuation of NFTs, in case of defaults. Price has to be right;
* Both ETH and NFT price fluctuation (If ETH price doubles, higher number of defaults → long-term loan risk → offer stable DAI coins but miss on ETH price increase, or skip DAI but risk ETH price decrease).

Some statistics (see [interview](https://www.youtube.com/watch?v=DZHLxOC_rXI)):

* 40% total loan volume (ETH) on collectibles (80% of that Cryptokitties);
* 30% on metaverse (45% Cryptovoxels, 30% decentraland, Sandbox has relatively high # loans);
* 10% on art (more illiquid, subjective pricing);
* 10% gaming (95% Axie Infinity - pokemon + Cryptokitties).

This will be an interesting space as more people with high-end blue-chip NFTs come onto Cardano towards the end of this year. Borrowers will offer NFTs as collateral, lenders will create an offer; once the offer is accepted the asset is locked in a smart contract and the borrower receives ETH. If the borrower defaults on the loan, NFT is given to the lender; this typically happens when ADA doubles in price. We, the DAO, could act as the lender and offer loans for 60-100% APR yield, or acquire/flip NFTs at (50-60% market price).

The challenge would be defining NFT asset’s price automatically while attaining NFT liquidity. One approach to boost NFT liquidity is by creating fungible versions of non-fungible tokens (see [NIFTEX](https://landing.niftex.com/) and [2]), essentially fractionalizing prohibitively expensive NFTs so others can own cheaper fractions of those NFTs. Another approach is to bring in machine-learning based predictions of NFT price, more feasible for collectibles than art. For instance, out of 1mil CryptoKitties, we create a token that is a subset of the collectibles that have certain features on-chain, use machine-learning to predict price and enable automatic trading or arbitrage opportunities. However, this requires historical pricing data for training (expect in 3-4 years).

## WAX (WAX)

WAX have their focus on easy user onboarding (including for the non-crypto savvy), but at the price of security (private keys will not be owned by the user but by WAX). Their comparative advantage is their niche in in-game collectibles and secondary markets, which is more sustainable than low-volume high-priced digital art. We need to focus on a niche (i.e., social media collectibles, TikTok, IG, onlyfans). Their DAO structure, enhanced governance and plans are well documented (see [whitepaper](https://github.com/worldwide-asset-exchange/whitepaper#guilds-block-producers-staking-and-voting---enhanced-governance-features)), however, these are written with a dedicated DPoS blockchain that runs on DPoS. In contrast we are building on the Cardano PoS blockchain (see [1]). We should adopt their NFT strategies and adapt it following the Cardano protocol. WAX offerings include:

* “Operational functions of NFTs will be conducted on the WAX Blockchain, a chain optimized for that activity, while Ethereum will become the capital vault of the WAX NFT empire”;
* Dedicated blockchain for minting/trading NFTs, media files stored on-chain;
* Has WAXG - WAXETH liquidity pool to allow token holders to trade NFT market and earn DeFi yields;
* Focus on secondary markets (NFTs under $50 and video game in-game collectibles (like Steam);
* Focus on easy user adoption (easy fiat payments, 2-step registration);
* Comprehensive and enhanced governance features built on dedicated WAX blockchain (see [whitepaper](https://github.com/worldwide-asset-exchange/whitepaper#guilds-block-producers-staking-and-voting---enhanced-governance-features)).

## Rarible

Rarible is a community-owned NFT marketplace that enables users to create collectibles without coding skills. It offers the unique concept of royalties, where artists/sellers can collect commissions on secondary sales automatically. RARI tokens are used for yield farming, liquidity mining as well as for governance. From July 2020, $75k RARI tokens are distributed weekly to active marketplace members, allowing them to vote for “platform upgrades, request features and curate and moderate content.”

## Flamingo

Flamingo is a DeFi platform based on the Neo [blockchain](https://coinmarketcap.com/alexandria/glossary/blockchain) and the Poly Network interoperability protocol. It combines several DeFi applications into a single ecosystem: a cross-blockchain asset gateway (wrapper), an on-blockchain [liquidity pool](https://coinmarketcap.com/alexandria/glossary/liquidity-pool) (swap), a blockchain asset vault, a perpetual contract trading platform (perp) and a decentralized governance organization ([DAO](https://coinmarketcap.com/alexandria/glossary/decentralized-autonomous-organizations-dao)).

Some of the main use cases in DeFi are cryptocurrency lending, yield farming and decentralized exchanges. However, for most cryptocurrencies and their respective DeFi environments, each of these solutions is usually provided by a single separate platform.

Flamingo’s unique advantage comes from the fact that it’s aiming to combine all the key financial instruments for the Neo cryptocurrency token (token wrapping, liquidity pooling, asset vault and contract trading) and make them available via a single platform that will be governed by its own users in a decentralized way.

## ERGO

## ERGO is a proof of work (PoW) blockchain platform with Turing complete smart contracts that employs a number of advanced features like zero-knowledge proofs, ring signatures, oracles, and adjustable block size. ERGO’s Sigma protocols and blockchain architecture are envisioned to be used in several DeFi spaces stablecoins, non-fungible tokens (NFTs), oracle pools and the trustless mixing of funds ([ErgoMixer](https://www.youtube.com/watch?t=31s&v=03_2HH82Plw)) which enables participants to spend without anyone knowing who made the transactions.

## One interesting feature is that Ergo can be used to create PoW-backed NFTs. For most NFTs, a user simply generates a UTXO with the token contract attached. But it’s also possible for miners to create special NFTs, where the id of the newly minted token is the id of a coinbase transaction. This has [all kinds of potential use cases](https://www.ergoforum.org/t/proof-of-work-backed-tokens/224/2), but the core idea is that a miner has the opportunity to create a special NFT when they mine a block. While any number of NFTs can be created via a regular smart contract, a finite number of these PoW-backed NFTs can exist, each with a higher degree of difficulty to produce. A market could come about which sells higher-difficulty identities for more money, thereby having a way to funnel out participants in protocols based on how much they are willing to spend on an id.

## Aragon

Aragon is a dApp that allows anyone to create and manage a decentralized organization. The project is open source. It also includes a token, ANT, that grants voting rights to make decisions about the direction of future development. Eventually, the team hopes the project to be a fully decentralized autonomous organization.

Aragon has off-the-shelf functionality modules for identity management, ownership and access control. Other modules include shareholder voting, fundraising through token generation, HR onboarding and payroll, and accounts payable/receivable. In addition, these modules are open-sourced such that the company’s dev team can customize them to suit a company’s need.

## Nifty Gateway

Nifty Gateway is a centralized platform for buying and sellingNFTs. Nifty Gateway is owned by the parent company Gemini LLC, a cryptocurrency exchange from the Winklevoss brothers. Gemini is a New York trust company with no foreseeable IPO and therefore no stocks or shares price. Despite this, a recent valuation put the company at between $774 million to $1.2 billion as nifty sales volumes have soared in recent months.

Nifty Gateway is an exclusive marketplace reserved for music and artwork which has been curated by the Nifty team. Popular DJs and musicians such as Deadmau5, Carl Cox, Gramatik, Ozuna and rapper, Lil Yachty have all had drops, with sales reaching into the thousands of dollars.

Murals of famous sports players such as NBA basketball player, Kobe Bryant or footballer, Mesut Ozil are popular. Plus there are collaborations with sports organisations such as OG Esports.

And then you have your classic NFT artists that started it all, such as Beeple – whose digital collage of 5000 images sold for over $69 million. Plus, Trevor Jones and his Bitcoin Angel artwork, Mankind, known for his captivating collection of moving pieces, and New York-based artist, Kenny Scharf.

Recently, Nifty Gateway hit news headlines in the crypto and tech world when users reported account hacks, with nifties worth thousands of dollars stolen. The users targeted were not using 2FA, which is recommended by the firm to increase protection.

Since its acquisition by the Winklevoss twins, Nifty Gateway 2.0 launched with new features including services that tapped Google and Facebook’s APIs. They also recently announced a collaboration with Sotheby's.

## Mintable

Mintable is a NFT marketplace where users can create, buy, and sell digital items for the easiest way to earn and get started with cryptos and NFTs.

The UI allows users to mint any information as an ERC-721 token on the Ethereum blockchain. What’s more, anyone can easily manage their owned digital assets while also browsing all the other tokens in existence. Reducing friction is a leading design element meaning all features are available without requiring any sort of native Mintable currency.

Mintable wants to be community-driven, decentralized, and flexible and uses a DAO structure. Instead of voting with the highly volatile ERC20 tokens, NFTs will be used on Mintable's DAO. Every user will own a voting NFT (MINT) that contains their voting power on it. Each NFT is unique and each NFT is given to anyone when they buy/sell an NFT on the marketplace or via buying on the bonding curve.

## Foundation

## [Foundation.app](https://foundation.app/) is a NFT Ethereum based platform where creators can auction their artwork on the open market. To sell art through Foundation, you have to be invited or be voted in by the community. With Community Upvote, artists are encouraged to support other artists and to set the stage for a model of community-led curation that puts power in the hands of creators. In the new creative economy, we all rise up together <https://foundation.app/blog>.

Recommendations: Revenue Streams  
Based on an analysis of leading competitors in the NFT and NFT-DAO marketplace, the following revenue stream recommendations are being proposed:

**Recommendation 1: A global transaction fee**It is recommended that NFT-DAO charge a minimum 1% fixed fee for every transaction on the platform, and a variable *x*% fee can be applied to different products, marketplaces or NFT use-cases, based on consensus by effected parties (By way of example, Wax charges a 2% fee; NBA Top Shot 5%; SuperRare 15% (secondary sales creators get 10% royalties); OpenSea 2.5%).

**Recommendation 2: Auction fees**It is recommended that a maximum 20% fee (19% + 1% fixed global fee) be applied as a preliminary commission on auctions (comparable to those in the [spreadsheet](https://docs.google.com/spreadsheets/d/1LkxWu9vfqhs_f71IbWDSJGZ_WsejpFtoGH4BCy4cWtE/edit#gid=666431664), with pricing structured depending on NFT valuation). Following this, auction fees should be priced within the 5-10% price bracket to remain competitive with existing market places and to promote the lower cost of NFT trading on the Cardano network.

**Recommendation 3: Consulting fees**It is recommended that we leverage our community subject matter experts to support new NFT use-cases and collaborators to build their business on top of the BOXCAR. (Using Rich´s Red Hat analogy, the NFT DAO would be to NFTs what Red Hat is to linux and open source software). Our customer would be outsourcing their marketplace construction to the DAO, thus focusing their efforts on their core competencies.

**Recommendation 4: Liquidity Mining/Staking**It is recommended that marketplace liquidity mining be further researched as a revenue option, potentially using our own native token (NDT) to create an NDT-ADA liquidity pool and generate incremental ADA. It is recommended that an NFT-DAO stake pool be established.

**Recommendation 5: Collateralized Loans**Similar to companies such as Compound and Aave which use fungible collaterals such as ETH and stablecoins, it is recommended that NFT-DAO consider creating a platform where lenders offer short/long term loans to owners of NFTs that are minted on our platform (or any platform) to generate revenue. (Example: Borrowers may store their NFT in a smart contract > the lender submits a loan value, repayment value and duration > NFT-DAO takes 5% from lender profits. Alternatively, we can also be the lenders ourselves and offer loans to borrowers for higher yield, but at the risk of owning badly appraised NFTs).

**Recommendation 6:** **Initial Token Offering**  
It is recommended that a NFT-DAO mints a native token (NDT = NFT-DAO Token) and that a portion of the total circulation (at least 40%) be offered as a token sale to the retail public to raise capital (in ADA). It is also recommended that versions of NDT’s be considered for different utilities within the DAO, including governance (voting), pro-bono (sweat equity) and kudos (social equity). These tokens will then be distributed to incentivise an engagement pathway, and to supply vote weightings for active DAO members.

**Recommendation 7: Loyalty Member Rewards (LMB)**  
It is recommended that the NFT-DAO considers a Loyalty Member Rewards (LMB) program, where members who choose not to convert NDT to ADA, can stake to LMB and receive daily rewards for a period of time (ie, LMB tokens staked for months/years. If LMB tokens are held for 3 years for instance, double rewards may be accrued at the end of period. Unstaking may permanently cease rewards).

**Recommendation 8: Community Development System**It is recommended that incentives for a Community Development System be considered. This may include fund allocation to support dev. work on upgrades, updates or patches (infrastructure) and the social benefits of open-sourcing. The system may also support social good initiatives, and business organization, education, consultancy, PR, and community.

**Recommendation 9:** **Donations**  
It is recommended that donations be considered as a potential revenue stream.  
  
**Recommendation 10:** **Equity Investment**It is recommended that a fund be set aside for NFT-DAO to invest in internal and external market opportunities with potential for equity investment, including other altcoins.

# Conclusion

It is part of NFT-DAO’s mission to illustrate how blockchains can facilitate structural coordination via machine consensus. Machine consensus refers to the process by which participants in a blockchain reach agreements based on the codes and algorithms that define the rules and protocols of the system. Algorithms can replace human actors in coordinating organizational activities by virtually assigning roles to different actors. Ideally, accountability, predictability, and common understanding are all pursued through machine consensus, instead of through interactions between human actors. However, the challenge is in codifying complex and subjective human interactions and assessing productivity that will likely be fraught with behavioral uncertainty.

Therefore, it is recommended that NFT-DAO begin early to tackle the harder problems for DAOs by experimenting with [tokenization strategies](https://github.com/NFT-DAO/Governance-HOLON/issues/37) that can be employed to support community governance, incentivised collaboration and stimulate the growth of Cardano’s NFT market. And, also to support ongoing discussion and strategies that support a healthy community culture as based on the DAO’s values, especially for all DAO contributors.

Currently, the pre-alpha phase of the NFT-DAO aims to incentivize internal Holon members (those actively working within holons) with Pre-Alpha Contribution Tokens (ND5’s) and commemorative NFT’s. The Alpha and Beta phases on the NFT-DAO roadmap will aim to incentivise the broader community by rewarding members who add value to different holons with Alpha (ND4) and Beta (ND3) contribution tokens, that reward members engagement through pro-bono and kudos contributions. With a sufficient weighting of native tokens, community members are able to advance through the NFT-DAO engagement pathway and join respective holons, participate in paid bounty (rewarded task) drops, vote on governance issues and unlock perks such as dividend payments, royalty splits, air drops and whitelisting for NFT-drops.

It is our hope that the cultivation of a tokenised engagement pathway, a healthy community culture and a range of revenue streams will support a prosperous and productive DAO.

# Appendix

[1] WAX strategy based on DPoS / Cardano on PoS dedicated blockchain (WAX, we use Cardano Basic ledger 1000 TPS / Hydra 1 MTPS) +

Decentralized marketplace (like Amazon) +

Decentralized virtual item trading and generation (like Steam) +

Decentralized wallets (WAX wallet, we use Yoroi/Daedalus)

PoS (Ouroboros) - stakeholders delegate to **unlimited** SPOs who are randomly chosen to produce blocks to maintain the ADA blockchain - PRO: more decentralization, more secure

DPoS (WAX) - stakeholders votes a **set** amount of (best performing) block producers to maintain WAX blockchain ([reference](https://www.emurgo.io/en/blog/explain-proof-of-stake-pos-dpos))

We are using Cardano basic ledger (1000Tps, future Hydra 1MTps) to create both financial and minting functionality arms. Need to figure out 4-letter token ticker and how many needed (governance, liquidity, NFT payment/transactions)

*From Polina (Lead engineer IOG) on NFT (30/3/2021)*

*Smart contracts needed for minting/burning (pioneers testnet start mid April)*

*Current minting policies - multisig (you and I sign for something) or time-constraint (you and I sign, then mint NFTs before slot S, after slot S get NFTs)*

*One policy ID, many different asset names (see* [*spacebudz example*](https://cardanoscan.io/tokenPolicy/d5e6bf0500378d4f0da4e8dde6becec7621cd8cbf5cbb9b87013d4cc)*)*

*E.g. 1 token with different asset names, after slot S, you’ll get different NFTs, one for each asset names.*

*If you have 1 UTXO with asset A and policy 1 and another UTXO with asset A and policy 1, its fungible to each other*

*Say we create our own blockchain, we need a dedicated ticker 4 letters for NFT-DAO (Eg. WAX/WAXG/WAXE), use babel fees*

*Similar Babel fees - paper writing phase (not detailed properly)*

*Liability (incomplete) transactions - e.g. 1 transaction has unbalanced missing some ADA for too many of this other tokens (NFT-DAO token), if SPOs (or anyone) wants to complete the transaction, they can supply ADA to earn NFT-DAO token*

*Either two transactions are processed, or none on-chain*

*Min UTXO - send token to someone, they have to cover transaction with min ADA as calculated (default is sender, but can be negotiated)*

*Min UTXO value scales with resource size : eg (one?) non-ada Token is 1 ADA ; 1 asset ID 1 asset name - 1.4 ADA; six policy IDs with long asset names - much more ADA*

[2] NIFTEX Flow

STEP 1 Owners of rare NFTs create fractions ("Shards") by choosing issuance and pricing. The NFT is   
 custodied in an audited smart contract.  
STEP 2 Fractions will be for sale at a fixed price for two weeks or until they sell out.  
STEP 3 After the fixed sale period, the fractions go to market where they can be traded like standard   
 cryptocurrencies.  
STEP 4 The underlying NFT can be recovered by acquiring 100% of the Shards or via a special Buyout   
 clause.

[3] NBA Top Shot packs and auction:

* Common (range from $9 to $14, but more rare recently due to demand)
* Rare (listed most recently for $199)
* Legendary (listed most recently for $999)
* Platinum Ultimate (3 digital copies; available only through auction)
* Genesis Ultimate (1 digital copy; available only through auction)