**The Truth About Kickstarter and ZionEyez**by [Mark Gibbs](https://www.forbes.com/sites/markgibbs/) - Aug 20, 2012,05:02pm

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Just over a year ago I wrote an article here on Forbes titled [ZionEyez, Weiner, and Watching](http://www.forbes.com/sites/markgibbs/2011/06/11/zioneyez-weiner-and-watching/) which, amongst other topics, discussed a Kickstarter project called [ZionEyez](http://www.kickstarter.com/projects/zioneyez/eyeztm-by-zioneyez-hd-video-recording-glasses-for).

If you're not up to speed on Kickstarter it's a service where individuals and companies can pitch their ideas for projects of any kind such as products, music, artwork ... you name it. These projects are looking for backers; people who will sign up at a level of anything from $1 to thousands of dollars in return for rewards that range from being listed as a project backer through to receiving products in bulk.

The idea of Kickstarter is brilliant: It allows small companies and individuals to test the market for whatever they plan to offer. Some projects don't get funded, some get what they're looking for, and some, as in the case of ZionEyez, succeed beyond their wildest dreams.

What ZionEyez proposed was to produce glasses under the brand name "Eyez" that could stream realtime high definition video and audio to the Internet from a built-in camera and microphone in the frame of the specs.

Potential users were really excited by the idea of being able to "[life stream](http://en.wikipedia.org/whttp:/en.wikipedia.org/wiki/Lifestreaming)" for a very low price ($199) ... check out [the original posting](http://www.kickstarter.com/projects/zioneyez/eyeztm-by-zioneyez-hd-video-recording-glasses-for) for more details of the planned product.

ZionEyez was looking to raise $55,000 and on July 31, 2011, the closing date for the project, had slightly exceeded its goal with 2,106 backers committing a total of $343,415! That was, by any measure, an astounding performance and spoke to the surprisingly high latent demand for a product such as the one proposed by ZionEyez.

But wait a second ... when you consider the sophistication required to deliver streaming HD video from a product that's as constrained in size and weight as glasses, you have to wonder whether a startup can deliver on such ambitious promises. In June 2011 [a post on the Singularity Hub blog](http://singularityhub.com/2011/06/09/150-spy-glasses-transmit-video-in-real-time-to-the-social-network-video) framed the issue nicely:

Now, as cool as Eyez may appear, there’s still plenty of reasons to be cautious. That animation video is great, but it’s not a real product. Is it vaporware? Well, the cynic in me says it’s too early to say otherwise, but ZionEyez CTO, Joe Taylor, is coming from Flip, a company that made millions on mobile cameras , and I don’t think there’s anything in this build that would be impossible or undeliverable at this price. Should we be concerned that Eyez is coming from a crowd sourced project rather than a big name distributor? Maybe. But it could also just be a sign that bright young entrepreneurs know that there’s more money to be made the longer they stay independent.

ZionEyez originally committed to deliver product to backers sometime during winter 2011 and general commercial availability was scheduled for July 31, 2012.

Alas, the only sign of a product was [an early prototype tested by Engadget](http://www.engadget.com/2011/12/07/eyez-720p-video-streaming-recording-glasses-hands-on-video/) in early December 2011. Engadget wasn't overly impressed but noted that what they had to play with wasn't final product and the reviewers were optimistic that ZionEyez could deliver.

The year wore on and as late as October, 2011, ZionEyez was still claiming it could meet the target window. Their [Kickstarter Update #13 dated October 28, 2011](http://www.kickstarter.com/projects/ZionEyez/eyeztm-by-ZionEyez-hd-video-recording-glasses-for/posts?page=2) stated:

In order to produce Eyez using the most technologically advanced methods available, ZionEyez has partnered with an Engineering/Design firm based in Silicon Valley, [San Francisco](http://www.forbes.com/places/ca/san-francisco/). Together, we have been collaborating to design and manufacture Eyez harnessing the same processes and materials that leading technology manufacturers utilize to produce their products. Perfection takes time and money, we have invested both.

In order to meet the standards that we've vowed to deliver, we have partnered with Asian manufacturers to leverage their state-of-the-art facilities.

Our proposed shipping date is still Winter Season, 2011. We will give you more insight as Eyez come closer to shipment.

But winter came and went and ZionEyez still didn't deliver. The company put out half-a-dozen more updates that really didn't do more than promise "jam tomorrow" and by spring 2012 many backers were, shall we say, "disappointed" as can be seen from the comments appended to the updates; here's [one public comment from a backer, Mark Sumner](http://www.kickstarter.com/projects/ZionEyez/eyeztm-by-ZionEyez-hd-video-recording-glasses-for/posts/205189#comments), on June 24 this year:

I've tried to be patient on this, but I'm done [...] From the nonexistent presence here to the utterly pointless, flash dependent web site, this company has been a crushing disappointment. Check, please.

If you scan other comments you'll see that many backers had also become angry about the lack of response from ZionEyez with a few threatening legal action and demanding refunds. Some backers were so incensed by the company's poor communications and lack of product that they started [ZionKick](http://www.zionkick-forum.com/), a backers-only forum which describes itself as "A Forum for People who got scammed by ZionEyez."

I hadn't been following the company closely since writing my blog posting (so much tech, so little time) so it wasn't until one of the backers of the ZionEyez Kickstarter project, Matthew Glasser, wrote to me some weeks ago about the missed deadlines and the lack of response from the company that I took a deeper look.

The first thing I noticed when I started digging in to what had happened was that the company had changed its name to Zeyez. The previous name was intended to invoke the idea of an idyllic, transparent society but using "Zion" has obvious issues so they wisely changed to what I think is a far sexier name anyway.

I got in touch with Zeyez to find out what had happened and a company spokesman, who requested anonymity, admitted that they had had trouble responding to inquiries as only two people had been in charge of the Kickstarter campaign. He said that most of the company's efforts were going into research and engineering as well as securing investment capital and admitted that they had seriously underestimated the time and funds required to develop the product they had envisioned.

Here's the last message Zeyez sent to backers:

Dear Backers,

First, we want to thank all of our Backers for the support you've given us. The Kickstarter Backing has been the driving force behind the Zeyez project, and we appreciate the support our Kickstarter community has given us!

We apologize for the radio silence over the last few months and the fact that we suck at PR, our time has been focused on aggressively pursuing investors to solidify the million plus dollar financing necessary to finish the project and deliver each one of our Backers they're pledge. At this time, we have a series of promising investment opportunities that have a high probability of closing in the near future, and we assure you, our Backers will be the first to know. We understand that none of our Backers want to receive a "PR" fluff update, and trust us, we don't want to send one. Ideally, the only update we'd like to send is that we are shipping Zeyez to your doors, but we're not quiet there yet. Like any new technology, there are a number of unforeseen hurdles that arise and we've been doing our best to overcome each one of them.

Zeyez has been lucky enough to garner a lot of investor interest and excitement in our company over the last few months, and we are confident that we can close financing for the project soon. Unfortunately we cannot speed up the investor due diligence process.

We appreciate your continued patience while we go through the investment process. We will keep you updated with important investor developments as they arise, but we cannot guarantee the duration in which they will be posted. We would like to avoid updates when there is nothing imminent to share.

Also, we have been trying to direct all our Backers inquiries to our info@zioneyez.com email to avoid confusion, and make sure we have the resources to address each and every one of you in a timely manner. So in order to receive a quick response, please contact us at info@zioneyez.com. We will not be monitoring our KS comments/message board.

Best Regards,

- The Zeyez Team

The Zeyez spokesman also admitted that "people are rightly upset" but argued that the backers who are the most upset are a small majority who don't understand what Kickstarter is really all about ... and here I have to agree.

I think one of Matthew Glasser's comments captures what many of the disappointed backers feel:

I think the bigger issue is the Kickstarter model and the company's unwillingness to take responsibility for projects that don't deliver. Based on the stories shared by Kickstarter project backers, I believe the ZionEyez project is just the tip of the iceberg when it comes to projects that don't deliver.

Matthew is right, there is a problem with the Kickstarter model and it's one that exists for two reasons: First, Kickstarter arguably doesn't make it clear enough to backers what it means to back a product.

Backers are not backing companies, they are backing ideas about things that it might be possible to do or make. There's no way for Kickstarter or the people making the pitch to guarantee that any given idea is as good or as practical as it seems.

Kickstarter has restrictions on [what projects can and cannot involve](http://www.kickstarter.com/help/guidelines) and the service also states in [its FAQ](http://www.kickstarter.com/help/faq/kickstarter basics#DoesKickScreProjBefoTheyLaun) (the italics are mine):

**Does Kickstarter screen projects before they launch?**  
Only a quick guidelines review to make sure they meet our Project Guidelines. Our review process is not an exact science, so we keep an eye out for objectionable content after launch as well, and we ask our community to do the same.

**Does Kickstarter investigate what a project says it’s going to do?**  
Kickstarter does not investigate a project’s claims. *The claims and responsibilities of every project are its creator’s. The community ultimately decides the validity and worthiness of a project by whether they decide to fund it.*

The second reason the Kickstarter platform has a problem is that the only vetting most backers do when they find a project they're interested in is to read the project pitch. Given that in many cases the project promoters give only the barest details about who they are and what they have done it would seem sensible for potential backers to do some research before they invest.

But without putting in the effort and digging deeper there's no way a backer can be certain that the project can be pulled off ... which is why Kickstarter has a social network! The idea is that the community of backers and potential backers can quiz project owners in the forums and discuss issues such as feasibility and the skills of the founders.

In other words, backers have to be responsible for their own investments. If you simply like an idea but you know nothing about the people who are claiming that they can pull it off and you don't know whether the technologies and techniques involved are practical then you're definitely taking a risk.

Moreover, the reality of backing a Kickstarter project whether or not you've done your homework is that what you're basically doing is making a bet. What you're not doing is buying product.

So, is Kickstarter at fault when a project fails? Nope.

In the case of Zeyez, pre-orders made on the Zyez site have, the company spokesman told me, been refunded as required by law. Kickstarter funds raised by Zeyez are another matter because backers weren't pre-ordering, they were investing. As with all Kickstarter projects. Zeyez backers were making a bet on a startup company and the promised product was to be the dividend.

In a call earlier today the Zeyez company spokesman told me that they are still working as hard as they can to get to a demonstrable product and that we should expect announcements soon.

So what is the Zeyez guilty of? Three things: Very poor communication, a lack of transparency, and over-promising.

The lack of transparency is perhaps their biggest fault because combined with everything else it makes the company look shady ... it wouldn't have mattered had they delivered as promised but as they haven't, their obscurity makes them look like they are up to something even if they aren't. The lesson learned from this is simple: If you're going to try launching a project on Kickstarter I would advise you to be as open, as transparent as possible. Show the world who you are. Keep everyone, not just your backers, up to date. Communicate, communicate, communicate.

And here's the bottom line for all backers of all Kickstarter projects: While no project owner wants to fail, some will and if you are a backer of one of these failed projects you will eventually have nothing to show for your investment. That's the nature of speculative investments.

I still believe Kickstarter is a brilliant idea and that great things will come out of it. Sure, some projects will fail and some will under-deliver but many will, in fact, succeed and some will do so spectacularly. If you want to have a hand in helping small companies get started and see cool products come into existence that big, established companies might not want to touch then Kickstarter is the place to go.

Just be ready to occasionally make a bad bet.

When crowdfunding goes bad; the story of ZionEyez

Cool ideas are a dime a dozen or maybe even cheaper.

And while it's easy to get excited by a cool idea, turning it into a real product is usually a non-trivial task. Where you see this very clearly is on crowdfunding platforms such as [Kickstarter](http://www.kickstarter.com/) and [Indiegogo](https://www.networkworld.com/article/2226717/when-crowdfunding-goes-bad-the-story-of-zioneyez.htmlhttps://www.indiegogo.com/) where amongst many successful projects there are one or two that got funded spectacularly then failed, just as spectacularly, to deliver.

A great example of this is a project originally called [Zioneyez](https://www.networkworld.com/article/2226717/when-crowdfunding-goes-bad-the-story-of-zioneyez.htmlhttps://www.kickstarter.com/projects/zioneyez/eyeztm-by-zioneyez-hd-video-recording-glasses-for). The intention was to build an HD video camera into the frame of a pair of glasses and both record and stream the results to the Internet via a smartphone:

Eyez embeds a 720p HD video camera within a pair of eyeglasses designed to record live video data and take pictures. The recorded data can be stored on the 8GB of flash memory within the Eyez glasses, transferred via Wifi/Bluetooth or Micro USB to a computer, or wirelessly transferred to most iPhone or Android devices. After a one-time download of the "Eyez" smartphone and tablet app, users can wirelessly broadcast the video in real time to their preferred social networking website. 

*Zioneyez streaming video glasses called "EyeZ", a failed Kickstarter project.*

ZionEyez planned to sell these glasses for $199 and was looking for $55,000 to fund development and initial production. They had a good story including that their CTO, Joe Taylor, was an alumnus of Flip, the now shuttered digital video camera division of Cisco.

So it was that on July 31,2011, the project was funded to the tune of $343,415 by 2,106 backers. Those 2,106 backers are now pretty unhappy as they have received nothing and the principals of the company have refused to provide any updates for months.

I originally covered Zioneyez with  some enthusiam for the concept when I was writing for another publication and when I found out from a reader a year later in July, 2012, that the company had failed to honor its commitment to deliver in December, 2011, I was surprised and disappointed. I got back in touch with the then CEO, Carlos Becerra, who I had originally interviewed to find out what had happened.

**[ [Learn how IT can harness the power and promise of 5G in this FREE CIO Roadmap Report. Download now!](https://www.networkworld.com/article/2226717/when-crowdfunding-goes-bad-the-story-of-zioneyez.htmlhttps://www.csoonline.com/resources/form?placement_id=a07d4c5e-1cf2-4f81-a4a6-931472ca3a6e&brand_id=32&locale_id=1) ]**

Becerra admitted to development problems and delays and assured me that they were working hard to meet their obligations. A whole year later I realized the company had gone "dark" again and followed up once more. I got the following in an email from Becerra:

The team has been extraordinarily busy on diligently building the next prototype which includes the hardware, mobile application, and website components.  While we have hit snafus along the way, we are very happy with the progress we are making. I look forward to talking with you again on the record once we finish building and testing the different components of the Hardware Prototype, Beta Mobile Application, and Beta Website.

The company subsequently rebranded itself as "Zeyez" and put up a flashy, content-free Web site (which hasn't changed at all since it first appeared). After a couple more uninformative followup enquiries I got this response on Jan 3, this year:

Matt Krumholz, the Vice Chairman and President of Zeyez, should be your point of contact from this point forward for any official statements from Zeyez. Mr. Krumholz joined the team in 2012 along with another business veteran.  Together, they have taken the reigns of the company, reorganized the company, and put their experience to work. Mr. Krumholz was interviewed by Geekwire this past summer, the article can be found here: [bit.ly/1d6wYax](http://bit.ly/1d6wYax). Since the article was published, both the Chairman and Vice Chairman of Zeyez have taken the Zeyez Prototype and Investor Deck to potential investors in order to seek additional funding to finalize the prototype and bring the glasses to market.

Since then I attempted twice to get a reply out of Becerra and Krumholz about what's happening but since Becerra's message above I've had no response whatsoever.

As for Zeyez' backers, they are quite justifiably angry. The company has completely ignored them and unless the backers start a lawsuit against the company - something that seems highly unlikely - they've simply lost their investment.

Many backers are also enraged that Kickstarter has no interest in the failure of Zeyez to deliver and won't respond to inquiries on the topic and many say they will never back another Kickstarter project. This point is problematic as Kickstarter makes it clear in its terms and conditions that they will not assume any responsibility for project execution or failure and, indeed, it's hard to see how they could do such a thing.

But the bottom line is that no matter which way you look at it, the principals of Zeyez have behaved unethically. They made promises they not only didn't keep but apparently couldn't and won't admit they can't keep. They were consistently, shall we say, "economical with the truth" and they apparently feel no shame or remorse or need to clear the air.

Given the huge amount of crowdfunding that's been happening over the last few years I'm starting to think that we may need some legislation to deal with situations like the Zeyez failure, something many of the backers of Zeyez see as simply a scam. Perhaps large scale crowdfunding should be escrowed and only drawn down against achieved goals but that would require an auditor to oversee the process.

How about a requirement that the principals of a project be closely connected via social networking to their backers? With a solid social graph that didn't allow the principals and employees to be shielded by one or two frontmen it would be harder for backed companies to go "dark" as Zeyez did.

Then again, maybe there is no practical way to prevent future projects like Zeyez from happening if we want the kind of creativity that so many Kickstarter and Indiegogo projects have shown and successfully delivered. Perhaps the only rule about backing speculative projects should be what it's always been: **Let the investor beware**.