

WonderlandWizards: Passive-Income NFTs Built on the Ethereum Blockchain

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Abstract

WonderlandWizards is a collection of 5000 income-yielding NFTs built on the Ethereum blockchain. Minted funds will be put into a treasury that earns interest based on a variety of investments. Each NFT operates as a lottery ticket, where holders have a chance to win a share of the accumulated interest from that week. In theory, as the treasury compounds, the rewards available to holders will increase, as will the value of the NFT since it is the only method for gaining access to the drawings, thus creating a sustainable lottery system with the advantages of blockchain security and anonymity.

1. MINTING

The WonderlandWizards project is officially scheduled to launch on Saturday, April 30th at 18:00 UTC. The project team has decided to split the release of all 5000 WonderlandWizards into a series of launches. On April 30th there will be a release of 500 WonderlandWizards, and an additional 500 WonderlandWizards will be available for mint within a couple of weeks after the previous 500 have sold out. The reasoning behind this staged approach stems from our desire to begin the weekly giveaways as soon as possible. Beginning the weekly giveaways sooner rather than later will allow for the opportunity to demonstrate the utility of the project in an attempt to grow the community and

generate more demand for the product. The costs for mint at the first launch will be 0.02 ETH for private sales (whitelist) and 0.05 ETH for public sales, these calculations do not include necessary gas fees. Each address given access to the whitelist will be eligible to mint one WonderlandWizard at 0.02 ETH during the private sales period, and ten WonderlandWizards at 0.05 ETH during the private sales period for a total of 11 WonderlandWizards. Individuals wanting to mint more than 10 WonderlandWizards (or 11 if on the whitelist) will be required to use multiple addresses. There will only be a whitelist for the initial launch, taking place on April 30th. All subsequent

releases will not feature a discounted whitelist price. All minted WonderlandWizards will be revealed 24 hours after the start of the public launch period.

2. INVESTMENT STRATEGY

For at least the first couple of weeks the WonderlandWizards treasury will be split into two investment strategies. 45% will be put into stable coin farming and 45% will be put into \$STRONG nodes.¹ The project will invest 90% of minted funds from the first stage of our launch into \$STRONG nodes, then begin investing into stable coin farming with funds from the second launch. The reasoning for this is to increase the rewards distributed during the early giveaways, and thus, attempt to attract greater attention to the project. Our first and main priority is the longevity of WonderlandWizards, and we believe that the best way to do that is to focus on two projects that are safe and sustainable. As the treasury grows we will diversify our portfolio to sustain an increased rate of growth while also maintaining moderate risk. If you're following WonderlandWizards on social media you will probably have noticed that we've been giving away a lot of NFTs that are not our own. The reasoning behind this is a demonstration of what the utility of the treasury offers.

¹ Please note that all calculations are based on current prices and will change due to volatility within the market. The calculations in this publication also assume that all WonderlandWizards available to the public are sold.

We have, and plan, to continue conducting thorough investigations into what are the most profitable investments for our holders. This could include NFT projects, token/coins, staking protocols, nodes, and much more.

First, we will introduce our plans for \$STRONG. For those that aren't aware, \$STRONG is a NaaS (Node as a service). A node, in the world of digital currency, is a computer that connects to a cryptocurrency network. The node (or computer) supports the network by validating and relaying transactions. At the same time, it also gets a copy of the full blockchain. Even though this is an oversimplified explanation of what a node is, it should be sufficient to understand how it acts as an investment.

Real nodes are expensive and hard for the average user to set up. This is where NaaS comes in. Node service providers run distributed node clients behind the scenes for you, so you don't have to. All you have to do is supply the requested amount of the native token (10 \$STRONG in our case) and they will do the rest for you.

\$STRONG price currently sits at \$125 which means that one node costs \$1,250 (10*\$125). Although this is a lot cheaper than setting up your own node, it still isn't accessible to the average investor. This is where the

WonderlandWizards treasury comes in. We plan to invest 45% (~\$315,000) of the treasury into \$STRONG.

Thus, at \$1,250 a node, we will be looking to make ~251 nodes. At the moment \$STRONG is offering ~0.1 \$STRONG (\$12.50) a day, per node. $12.50 \times 251 = \$3,137$ PER DAY or \$21,962 per week.

We hope to be around for the next few years which is why the remaining 45% will be put into stable coin farming/staking. For those who do not know what a stable coin is, it is a coin that is pegged/backed (depending on the stable coin) by the United States Dollar, implying that the value of the coin should not drop below \$1. While the returns on stable coins are small in comparison to the likes of what can be seen in DeFi, we think it is important that we have a large allocation of the treasury into stable coin projects that will provide safety and sustainability. While risk cannot be eliminated, it is still possible to minimize. Being backed by the United States Dollar provides a sense of insulation from market crashes, something we find particularly important during these times of uncertainty.

The remaining 45% (~\$315,000) of the treasury will be earning 20% in a stable coin single-side staking. At 20% APY, the treasury will be earning \$63,000 a year, which equates to roughly \$1,211 a week. While this is an

insignificant amount compared to what \$STRONG will be earning the treasury, it is important to remember that this is relatively low risk and is ultimately what will bring sustainability to the project, ensuring that the treasury survives for several years.

Now we can dive into what this means for holders. With \$STRONG bringing in \$21,962 a week and stable coin staking bringing in \$1,211 a week, the treasury will be earning \$23,173 a week, rounded to \$23,000 for simplicity. The treasury will be giving out 50% of the profits generated weekly. Thus, $\$23,000/2$ is \$11,500 a week. Therefore, the treasury will distribute \$11,500 for the first week, then the compounded value for each subsequent week. By having the treasury appreciate, it ensures a theoretical appreciation in the value of each individual WonderlandWizard since it acts as the lottery ticket to reward distribution. Hypothetically speaking, if the community decides to have 100 winners during the first week then the total reward amount will be split equally among 100 random holders. Thus, $\$11,500/100 = \115 per holder. Therefore, 100 holders will not only have a risk-free WonderlandWizard, but also another \$115. This could operate under a wide range of scenarios ranging from a single payout of one holder, or a payout split among ALL holders.

Finally, to ensure a further sense of sustainability, we will be adding 1% of all royalty fees back into the treasury. This gives

people the incentive to purchase on secondary markets such as OpenSea since a portion of their funds will be used to generate larger rewards.

3. VOTING PROCESS

To begin the reward distribution process there will be a weekly poll sent to a private channel within the WonderlandWizards Discord. This poll will serve as the primary method for deciding how many holders are awarded each week.²

Once a week, the poll will open on Wednesday at 20:00 UTC and close on Thursday at 20:00 UTC. The end time ensures a hard deadline for those wanting to acquire a WonderlandWizard for voting privileges. On Thursday at 21:00 UTC the winners will be selected and on Friday they will be announced. We decided on a specific time for winner selection because it will create a hard deadline for those eligible to win the weekly rewards. Participation in the weekly vote is completely optional, but only those holding a WonderlandWizard at the start of the voting period are eligible to participate. Participating in the vote is not a requirement for winning the weekly reward, the only requirement is holding a WonderlandWizard on Thursday at 21:00 UTC. The first giveaway will occur on Friday, May 6th. Each week, eligible voters will be asked to cast a single vote for the

number of winners of that week's respective lottery. The winning option will be the one with the most votes cast for it during the voting period. The rewards will then be split equally among the number of winners that the community voted for.

If the community chooses to reward zero holders, the reward for that respective week will be added to the following week's pool. If the community elects to reward a number of winners greater than the supply of held WonderlandWizards, all of the WonderlandWizards being held will operate as winning tickets, and rewards will be split equally. If there is a tie for the number of winners to be chosen, the larger option is chosen. Finally, in the unlikely event that not a single vote is cast, it will be assumed that the community voted to reward zero holders, and thus the rewards will be added to the following week's lottery.³

The process we use to verify the holding of a WonderlandWizard is quite simple and takes place all within the Discord platform. We have set up a series of roles that are delegated to server members upon the verification of required assets via the Collab.land bot. Closer to the project launch Discord members will have the

² The available voting options include Zero, 1, 10, 50, 100, 250, 500, and a write-in option.

³ Each week a summary will be posted to the website detailing information relevant to the most recent poll. This summary will include the winning option, the number of votes cast for each option, the number of participants, and a list of participants utilizing Discord server names. However, all votes are anonymous.

option to connect their MetaMask, WalletConnect, or Talisman wallet through the Collab.land bot, which in return, will verify the holding of a WonderlandWizard by identifying an ERC-721 address unique to the WonderlandWizards collection. Upon the verification of assets, the bot will reward the member with a role ranging from “Wizard Holder” to “Wizard Holder x9” based on the number of WonderlandWizards held within that particular wallet. The Collab.land bot will reward a user with the role of “Whale” if the bot verifies the address of holding 10 or more WonderlandWizards.

The Collab.land bot can add weight to a vote cast from a specific role. The vote will utilize a weighted voting system where anyone with the role of “Wizard Holder” will receive one vote, those with the role of “Wizard Holder x2” will receive two votes, and so on. Those with the role of “Whale” (signifying the holding of 10 or more WonderlandWizards) will receive a maximum of 10 votes. We implemented this mechanism to mitigate some of the issues related to the diminishing marginal utility of holding more WonderlandWizards. While it will not eliminate the issue, it greatly reduces it. Though the benefits of this system are not substantial, we believe it could convince community members to acquire more WonderlandWizards because of the added voting power (additional votes are worth even more if not all WonderlandWizards are immediately minted.)

One of the reasons why we spent a great amount of time fine-tuning the voting process was because we are dedicated to creating a sustainable and ethical project, and involving the community through a fair and equitable system is a big part of that. We are always open to making changes that best suit the community, and thus we invite members to reach out to us with feedback and suggestions for improvement.

4. REWARD DISTRIBUTION

Holders will be able to verify that they’re holding a WonderlandWizard by connecting their wallet in the discord. All holders will gain access to a private channel where we will hold a vote to decide how many winners there will be for that respective giveaway. If the community decides that everyone wins, we will run the contract address through a code to generate a list of all holders. From there we will copy and paste all addresses and disburse the funds evenly using MultiSender.

The community might decide that only 10 people will win, in this case, we will use a random number generator and input numbers 1-5000. If the random number generator generates #152, then WonderlandWizard#152 will be the winner and the rewards will be distributed to the address holding that WonderlandWizard. In our example, 10 people win so we will do this 10 times. Once we have the 10 winners we will disburse the funds

through MultiSender. Remember, it is not a random drawing of WonderlandWizard holders but a random drawing of WonderlandWizards. The rewards are simply sent to the holders of those winning WonderlandWizards.

5. TEAM COMPENSATION

The purpose of this section is to inform the community of what the team behind WonderlandWizards will be receiving for their contributions to the project.

The team consists of two co-founders and a few Discord moderators. A total of eight WonderlandWizards have been reserved for Discord moderators and the moderators will also be receiving 1% of the royalty fees split equally among them.

The two team members will be receiving a total of 12 WonderlandWizards, 4% royalty fees, and a set wage from the treasury, though treasury funds will not be allocated to the founding team members for at least the first year of the project.

We are looking to bring on additional team members due to recent growth in the project. Thus, we will be allocating 10% of the treasury to ensure the sustainability of team and marketing positions. Finally, there have been a total of 11 WonderlandWizards reserved for the winners of giveaways as part of our attempt to build a community. We expect to reserve another

19 WonderlandWizards for future giveaways leading up to the launch. Thus, the total number of WonderlandWizards currently reserved is 50, leaving 450 WonderlandWizards to be available for mint at the initial launch, and 4500 available for future launches.

6. SUMMARY

The goal of the WonderlandWizards project is to create an NFT that rewards holders with a stream of passive income. The project does this by rewarding holders with the chance to receive rewards stemming from a series of high-interest-yielding investments. We believe we have created a sustainable project that will allow for the building of a large WonderlandWizards community and the appreciation of the value of individual WonderlandWizards. We encourage readers to visit <https://wonderlandwizard.xyz> where they can find a preview of a few wizards, links to all of our socials, a tutorial on how to buy, and a link to the treasury wallet.

