



# Own Your Data



# Disclaimer

This version of the DAX whitepaper is released as a working draft -- with the purpose of introducing the idea and receiving feedback from the blockchain community. If you wish to contribute by leaving your comment or review, please email [info@dax.network](mailto:info@dax.network).

This document does not constitute a prospectus of any kind. It is not a solicitation for investment and does not in any way pertain to an offering of securities in either the United States or Canada. United States and Canadian residents are excluded from purchasing DAX tokens. This document constitutes a description of the DAX platform and the functionality of DAX tokens.

Nothing herein constitutes an offer to sell, or the solicitation of an offer to buy, any tokens, nor shall there be any offer, solicitation or sale of DAX tokens in any jurisdiction in which such offer, solicitation or sale would be unlawful. You should carefully read and fully understand this whitepaper and any updates. Every potential token purchaser will be required to undergo an on-boarding process that includes identity verification and certain other documentation, which you should read carefully and understand fully because you will be legally bound. Please make sure to consult with appropriate advisors and others.

This white paper describes our current vision for DAX. While we intend to attempt to realize this vision, please recognize that it is dependent on quite a number of factors and subject to a number of risks. It is entirely possible that the DAX platform will never be implemented or adopted, or that only a portion of our vision will be realized. We do not guarantee, represent or warrant any of the statements in this white paper, because they are based on our current beliefs, expectations and assumptions, about which there can be no assurance due to various anticipated and unanticipated events that may occur.

Please know that we plan to work hard in seeking to achieve the vision laid out in this white paper, but that you cannot rely on any of it coming true. Blockchain, cryptocurrencies and other aspects of our technology and these markets are in their infancy and will be subject to many challenges, competition, and a changing environment. We will try to update our community as things grow and change, but undertake no obligation to do so.

# Abstract

Today, individuals' data is collected and stored by centralized systems without consent and the option to “opt-out” is only available after the fact.<sup>1</sup> This has led to increased regulation, hacker incentives, and lost trust with consumers. Meanwhile, advertisers and researchers have proven access to accurate consumer data increases return on ad spend, leading to increased demand.

Currently, the facilitation of audience data aggregation, organization, and accessibility is owned by a handful of centralized organizations that provide little transparency to end consumers and advertisers.<sup>2</sup> This black box approach has led to massive silos of data that must be fixed at all sides of the marketplace: **Data-Owners**, **Data-Exchanges**, and **Data-Users**.

The DAX coin will be the unit of exchange that enables control and rewards for Data-Owners while providing decentralized storage of data through advancements in blockchain technology.

The market for a decentralized audience data exchange will be won with scale and trust. Our foundational data-exchange partner -- AddShoppers<sup>3</sup> -- will provide the DAX coin access to 100,000,000+ monthly unique customers and 5,000+ brands.

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<sup>1</sup> "Blockchain Could Help Us Reclaim Control of Our Personal Data." 5 Oct. 2017, <https://hbr.org/2017/10/smart-ledgers-can-help-us-reclaim-control-of-our-personal-data>. Accessed 23 Jan. 2018.

<sup>2</sup> "The Big Asset Most Companies Ignore: Customer Data - WSJ." 13 Oct. 2015, <http://www.wsj.com/articles/the-untapped-value-of-customer-data-1444734633>. Accessed 24 Jan. 2018.

<sup>3</sup> "AddShoppers | LinkedIn." <https://www.linkedin.com/company/add-shoppers>. Accessed 24 Jan. 2018.

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# Introduction



## Past

Consumers have always wanted to control what the world knows about them to no avail. Brands have always wanted to better communicate with consumers. The Internet opened new doors for advertisers to go beyond traditional advertising and reach customers in a more efficient way. As large internet brands like Amazon, Facebook, and Google grew in scale, they learned the importance of capturing and storing personal information for the purpose of targeting and insights. This data has enabled them to make the jump from the Pull Economy to the Push Economy -- “I’m interested in” vs “We think you’re interested in.” Brands unable to reach “scale” began to look for ways to compete, which created a market of data aggregators and brokers who set out to capture customer data in ways that would enable advertisers and researchers to better reach customers with targeted content and products. This market dynamic has created Micro Data Silos & Macro Data Monopolies that benefited brands but left consumers’ wants unmet.

## Present

These multifarious silos created the current environment of distrust between consumers, data marketplaces, and data users<sup>4</sup>. Consumers have responded by using anonymous browsers, cookie blockers, do-not-call registries, and pressure to regulate. Regulators have responded by introducing new laws such as GDPR, PCI, and other attempts to protect consumer privacy in an era of rapid change. Advertisers have responded by using batch blast marketing to reach “likely” supporters of their brands. Hackers have responded by targeting large centralized data sets and reselling stolen information. No party involved is content with the current ecosystem.

## Future

Consumers want control over what enterprises know about them and brands want stronger ROI from their efforts. For there to be true collaboration between brands and consumers, there needs to exist an incentive for action to both parties to reach a useful data consensus. Until the introduction of blockchain technology, there has been no realistic way to issue incentives or enable transparency within this multi-billion dollar ecosystem<sup>5</sup>. A system will exist that enables transparency between data-owners and data-users. The winning system will have the largest scale in both owners and users of personal data while maintaining trust in the marketplace. We believe a multi-token approach will enable collaboration and the necessary transparency to truly decentralized audience data ownership.

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<sup>4</sup> "Protecting Consumer Privacy in an Era of Rapid Change: A Proposed ...."  
[https://www.aclu.org/files/pdfs/privacy/dataeco\\_full.pdf](https://www.aclu.org/files/pdfs/privacy/dataeco_full.pdf). Accessed 23 Jan. 2018.

<sup>5</sup> "What's The Value Of Your Data? | TechCrunch." 13 Oct. 2015,  
<https://techcrunch.com/2015/10/13/whats-the-value-of-your-data/>. Accessed 23 Jan. 2018.



# Company + Team

Since 2011, the AddShoppers Platform<sup>6</sup> has analyzed and engaged millions of consumers globally across thousands of domains. DAX will empower consumers while giving brands access to unparalleled data targeting opportunities through our Customer Data Platform (CDP). AddShoppers gives DAX instant scale including customer data, agency partnerships, and direct brand relationships.

By leveraging the AddShoppers Platform foundation, DAX will launch with access to 100,000,000+ monthly tracked users across 5,000+ domains<sup>7</sup> providing instant scale.



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<sup>6</sup> "AddShoppers." <https://www.addshoppers.com/>. Accessed 24 Jan. 2018.

<sup>7</sup> "Websites using AddShoppers - BuiltWith Trends." <https://trends.builtwith.com/websitelist/AddShoppers>. Accessed 23 Jan. 2018.

## Founders



### **Chad Ledford**

[@ChadLedford](#)

3x Entrepreneur, built #4 fastest growing retail marketplace in the US.



### **Jonathan West**

[@West](#)

10+ years eCommerce, marketing, and data experience.

## AddShoppers Team



### **Kevin Bosak**

Senior Full Stack Engineer



### **Tomasz Olszewski**

Senior System Operations



### **William Jones**

Senior Full Stack Engineer



### **Alex Nevado**

Junior Frontend Developer



### **Jason Ehmke**

Senior Full Stack Engineer



### **Peter Messmer**

Data Strategist



### **Mario Catalano**

Senior Full Stack Engineer



### **Dana Toro**

VP of Finance



### **David Shackelford**

Senior UX + Frontend Developer



### **Albert Chou**

VP of Sales



## AddShoppers Advisors + Investors



### **Erik Matlick**

Founded several leading B2B data exchanges -- Bombora, Madison Logic.



### **Geoff Judge**

Built and sold 24/7 Real Media to WPP.



### **Peter Shanley**

Former CFO of Razorfish and SapienNitro



# Network



## Overview

The following serves as a high level overview showing how the DAX coin will be the utility for transparency and decentralization that governs the flow of information from data-owners to data-users, much like an API (Application Programming Interface).

Exchange Members:	Data-Owners	Data-Exchanges	Data-Users
Scale as of 1/13/2018:	100,000,000+ monthly tracked users across 5,000+ domains	1 Exchange Partner (AddShoppers)	120+ Brands 3+ Agencies
Soft incentive to participate:	Control over their personal data.	Adoption leading to scale across owners and users.	More accurate data driven by data-owners, not 3rd parties.
Hard incentive to participate:	Economic value of coins grow as the dataset grows.	Transaction fee for facilitating the flow of data.	Stronger ROI from budgets.
Interaction Layer:	Mobile application & browser based application.	APIs to facilitate flow of information.	A control panel for reporting and campaign management.
Sample Cohort:	John Doe Small Business ABC Medium Business XYZ Large Enterprise	Nielsen Google DMPs Trading Platforms	Agencies Brands Research Companies Universities
Considerations and Notes:	Efforts here will involve converting data-owners into DAX coin holders.	This will start as a centralized system but will become decentralized as blockchain technology can support the throughput -- over 10,000 req/sec..	There will be a ramp up period to convert these data-users into DAX coin holders.

## Data-Owners

Individuals need transparency into their consumer record in a simple-to-use interface that's mobile-first and browser accessible.

You, as an end consumer know if you're in-market for a car, house, shoes, etc.. Why should companies have to guess what you're interested in when you can tell them? DAX will enable individuals to have visibility into and control over the data that's shared with Data-Users.

In addition to transparency and control, we believe individuals should be financially rewarded when their data is accessed by a Data-User. With DAX, Data-Owners will receive a fair share of the monetary benefit when a Data-User purchases access to their customer record.

Through a blockchain driven smart contract, data-owners will be able to see who used their data and the associated campaigns.

*A proof of concept landing page and/or mobile app will be provided to Whitelisted members of our token sale.*



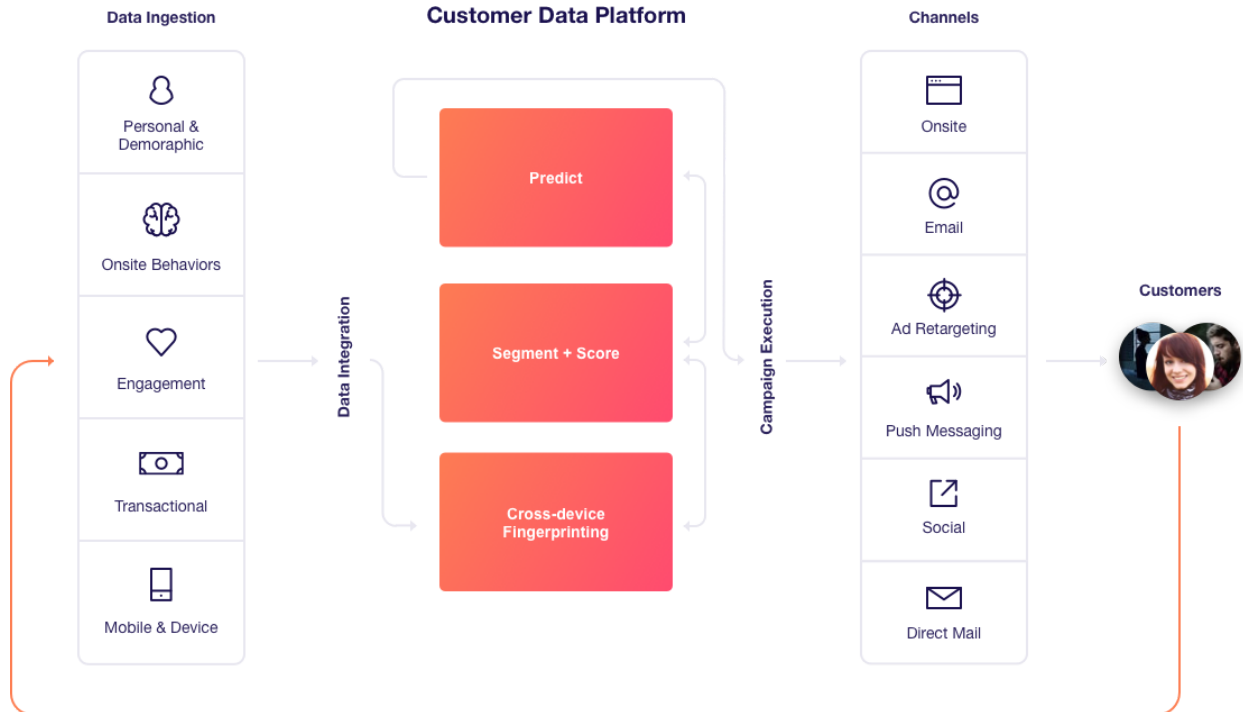
# Data-Exchanges

This group of users will represent many types of technologies (martech, adtech, etc.) that exist today including Data Management Platforms, Customer Data Platforms, Email Sending Platforms, Customer Relationship Managers, and other systems that allow companies to store and execute on personal information.

Our data exchange partners will be hand-selected based upon their experience managing customer information and the scale of brands they currently serve. As we continue to add new data exchange partners, the goal will be to decentralize the act of exchanging data between data-owners and data-users through smart contracts.

We believe the future of data exchanges will be in the hands of agencies and internal technology teams so it is important to make sure no central system controls full access to brands or exclusively owns access to individual customer data.

For reference, below is a sample flow of how Customer Data Platforms -- including AddShoppers -- work today:

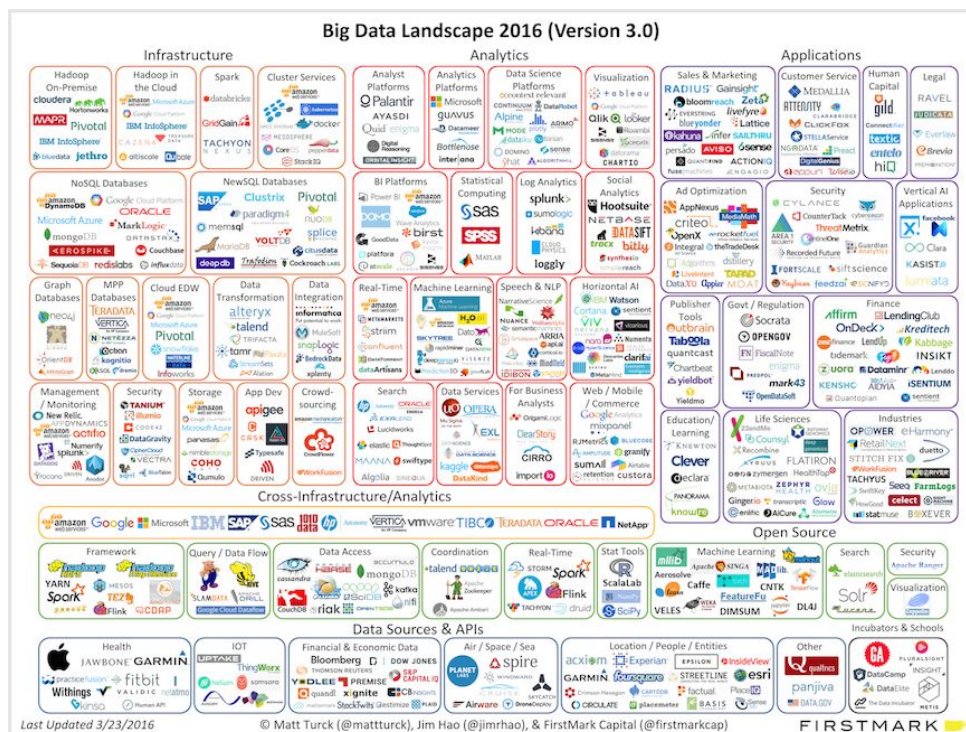


# Data-Users

The users of audience network data will include a broad range of enterprises, non-profits, and research companies that get direct value from more accurate data, better targeting, and additional network insights between audience cohorts. We'll combine self-sovereign data from end users with their online behaviors to validate their purchase intent which will lead to higher performing campaigns.

A sample use case includes a global CRM agency that could use email data from the network to send more relevant promotions. Such an agency would be able to send an email to customers that browse a digital property but do not explicitly enter their email address. They could also use such data to run look-a-like targeting campaigns on major publishers like Facebook and Google. Another use case includes research companies who could send a survey to certain customers within a California ZIP code and ask them the question "Would you be interested in solar power?"

These types of use cases offer great enterprise value and will ultimately be the driver of the economics behind the DAX token. Without large-scale demand on the buy-side, data-owners receive no value from providing their data. Based off the current market for customer data, it takes at least a cohort of 100 million unique customers to have what data-users would consider "scale." At 1 billion users, DAX becomes the equivalent of a major publisher such as Instagram or SnapChat. With 100M+ user profiles currently, we have built-in scale and a clear path 10x the number of data-owners while simultaneously growing the number of data-users through strategic partnerships and business development.





# Architecture

The DAX marketplace will be built around a multi-token architecture. There will be three tokens that connect via smart contracts to drive the economics and transparency of the marketplace.

DAX Token is the exclusive way for participants to access data, stake Insertion Orders, and redeem rewards within the network.

DAX ERC721 Token will be generated and linked to a consumers identity as they sign up to claim their data.

DAX ERC20 Token will act as a registered security and be offered to accredited investors who are interested in the long term success of the project.

# DAX Token Overview

The DAX discount token serves several purposes:

- For Consumers: incentivizes participant behavior, sharing data, to be aligned with the benefit of the network.
- For Data Exchanges: acts as an incentive -- the transaction fee -- to facilitate the transfer of data.
- For Enterprises: acts as a software license to access the opted-in data and activates a payment channel for accounting

Below is an illustration of the economy created by the DAX Token. We are currently exploring the viability of a Discount Token within this economy compared to a token tethered to USD.





# DAX ERC721 Token Overview

Ethereum Request for Comments 721 is an Ethereum Improvement Proposal introduced by Dieter Shirley in late 2017. It's a proposed standard that would allow smart contracts to operate as tradeable tokens. ERC721 tokens are unique because the tokens are non-fungible, anything that uniquely represents an individual within our ecosystem will be a non fungible token, their value to marketers for targeting purposes is variable.

ERC721 tokens can be used in any exchange, for our project the token would be “rented” to marketers, but their value is a result of the uniqueness and rareness associated with each token as determined by the data shared from consumers. Because each ERC721 token is non-fungible and unique, it's referenced on the blockchain via a unique ID which allows us to determine the owner of a token using its ID.

Storing data on the blockchain that tells the defining characteristics of each token would be very expensive. To combat this, we can store references and metadata to each token's attributes on the chain so our off-chain platform can execute logic to find more information about the token.

Each of these tokens will be generated when the user signs up and a unique ID for brand targeting will be associated to the unique token. The value of each individuals data is unique based on the attributes and data they share with the network. The value will be defined by the market demand of brands who want to target the consumers profile.

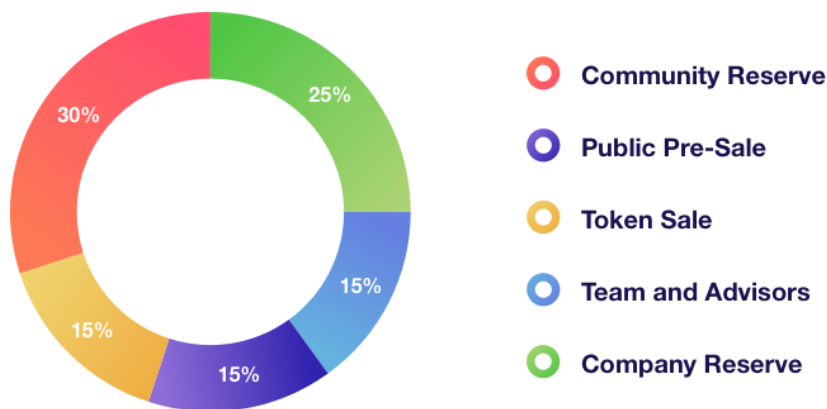
# DAX ERC20 Token Overview

*Token Supply and Sale ([Detailed Economics spreadsheet](#))*

During the private pre-sale, the DAX token will be a registered security using a Private Investment Agreement (PIA) and Reg D offering.

During the public sale, the DAX token will be a registered security using Reg A+ offering.

The overall number of DAX tokens will be 750 million. The hardcap of our total token distribution is \$31M USD. The number of tokens reserved for the community is 225 million, which amounts to 30% of the total amount of DAX Tokens. An additional 30% will be reserved for the Community for rewards, referral programs, marketing initiatives, and other incentives that encourage data contributions to the network. The combination of token distribution and Community reserve results in 60% control by the Community.



## Team & Advisors

15% of the tokens will be locked up for our Advisors and our Team, and they are to be reserved on a 2 year vesting schedule, 1/24th of their allocation will be provided monthly, after taxes.

## Community Reserve

The 30% community allocation will be used for referral programs, incentives, and marketing initiatives targeted at growing the user base.

## Company Reserve

The 25% company reserve will be used for future headcount, strategic initiatives, and operational overhead.

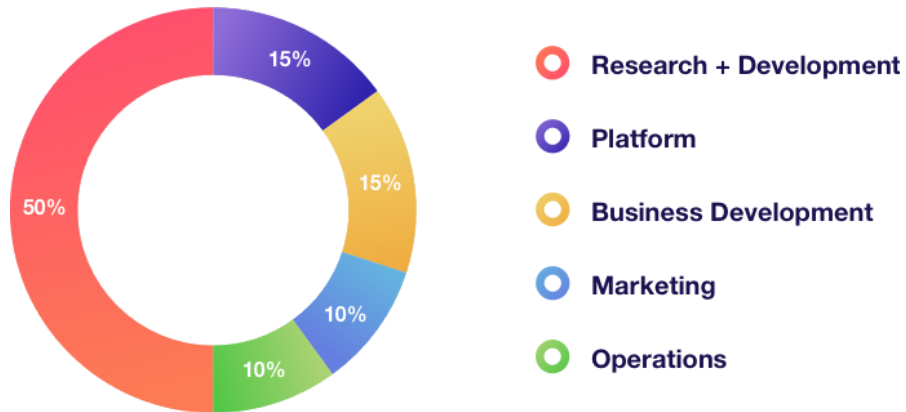
## Public Presale

We will offer a 20% discount during the public presale stage.

### Geographies

Participants from the following countries/territories are excluded from our Public Presale & Token Sale: US, Canada, China, Hong Kong, and Taiwan

### Use of funds



## Why Blockchain?

We'd like to finish with everyone's favorite question: why do you need a blockchain to achieve this instead of a private database?

There are two key reasons for this.

First, transparency is paramount to build trust between brands and consumers. Incentives from brands to consumers and consumers to brands cannot be leaps of faith; they must be rooted in "trust but verify." By using a Blockchain and smart contracts, not only is the protocol public, but, more importantly, it cannot be changed arbitrarily.

Second, by building on a Blockchain, we open the door for other people to build on the same ecosystem. This means that if the model proves to be successful, other large enterprises could join as data exchange partners and use the same data from consumers without having to launch additional consumer facing applications. In addition, other consumer apps could build on the ecosystem to allow new ways for consumers to redeem their tokens.



# Timelines



## Development

Goal	Proposed Release
Q2 '18	Customer Data Platform V2, Opt-in/out Status, Data Visibility, Portability
Q3 '18	Self-sovereign and Behavioral Consumer Data Portal, Wallet, Native Mobile Apps, Token Integration
Q4 '18	3rd Party Data Integrations, DAX oAuth
Q1 '19	Blockchain Verification, Opt-in Affinities, Personas, Decentralized Data Storage, Non-shopping Data



# Ready to own your data?

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