

TOKEN ALLIES



CARDANO'S FIRST DECENTRALIZED VC

WHITEPAPER



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Token Allies: Pioneering a Decentralized Venture Capital Revolution

In the realm of venture capital (VC), centralized decision-making and limited access have long been the norm, creating a bottleneck that restricts the flow of capital and opportunities. Simultaneously, the crypto market, despite its meteoric rise, has primarily served as a funding source for crypto-centric companies, leaving non-crypto enterprises on the periphery.

This status quo is ripe for disruption. Enter Token Allies:

“A forward-thinking platform on a mission to revolutionize the VC landscape and democratize the investment process”

Token Allies harnesses the power of blockchain technology to introduce a decentralized, community-driven VC model. It seeks to break down barriers to entry, offering a platform where a diverse range of investors can tap into the potential of emergent startups and companies.

Through its **decentralized autonomous organization (DAO)**, Token Allies presents a dynamic ecosystem where **investors can participate in various investment funds**, each aimed at meeting unique funding goals. The DAO also facilitates a due diligence process, enabling members to make informed decisions when selecting companies for investment.

Upon selection, the **DAO, acting as a collective entity, invests in the chosen company**. This is not merely a transactional relationship but a strategic partnership. As stakeholders in the company's journey, the DAO contributes to its growth and success, establishing a relationship that drives mutual value creation.

Adding another layer of innovation, Token Allies introduces the **ALLI Token** that is minted as a **reward for the investors** that trust in the model, **collateralized with the investments** made as a sort of **advanced returns**. ALLI empowers investors with **voting rights** in every Token Allies fund.



With a unique blend of decentralized funding and blockchain technology, Token Allies aims to **empower promising, high growth, high impact companies** to achieve their objectives while providing **investors** an avenue to maximize their capital investments while being **active participants** in the process.

Over the past two years, our dedicated team has been tirelessly working towards the development and refinement of Token Allies. We have invested countless hours, expertise, and passion into creating a platform that revolutionizes the investment landscape. Through continuous iteration and learning, we have faced challenges and made significant pivots to reach a sustainable model that enables us towards our goal.

Now, we are thrilled to announce that **our platform is nearing completion** and is almost ready for its highly anticipated launch. Our team's unwavering commitment to excellence and our steadfast belief in the power of decentralization have fueled our progress. We cannot wait to unveil Token Allies to the world and provide investors and companies with an **inclusive, transparent, and empowering platform** to realize their dreams.

To summarize, Token Allies is more than a new player in the VC landscape. It is a game-changer, challenging the status quo, and democratizing access to investment opportunities. By tearing down barriers and creating an equitable platform, Token Allies through the possibilities of the blockchain, is leading a VC revolution, one investment at a time. Its innovative approach is set to redefine the VC paradigm, making it more inclusive, transparent, and beneficial for all stakeholders involved.

Stay tuned for the exciting launch of Token Allies!



1. Understanding the problem

It is undeniable that venture capital is key and truly needed for the world to fuel innovation and change. As the numbers show, when proper conditions are met, the inflows in venture capitals help the world's more disruptive and game-changer endeavors.

VC-Backed Companies as a % of Public US Companies founded since 1979



Source: Stanford Business school

But, in the traditional venture capital (VC) sector, centralization has emerged as a significant challenge. Its inherent centralized structure (by General Partners) leaves most capital suppliers (Limited Partners) without a say in the way their capital is managed, leading potential good investments to failure, not because of the companies invested themselves, but by obscure and non investor/company aligned decisions and actions. Generating ups and down in the availability of these funds and also in the trust that the Limited Partners have in the system.

The VC industry has historically been inaccessible to the general public from the inception of funds. This has led to an increasingly centralized and exclusive investment landscape, favoring a small group of privileged individuals and exacerbating the lack of transparency and equitable opportunity in the sector.

Furthermore, in the crypto space, the current funding mechanisms predominantly cater to crypto-centric companies, sidelining millions of potential high growth enterprises worldwide. This lack of diversity significantly restricts the scope of investment opportunities and limits the prospects for broader real world business adoption. These deep-rooted issues need a fresh, innovative approach that leverages the untapped potential and the transformative capabilities of blockchain technology. This is where Token Allies steps in, introducing the first community-driven, dao-govern, decentralized VC on the Cardano platform.



2. Our Solution

Token Allies aims to resolve these challenges through a decentralized autonomous organization (DAO). This DAO offers a unique opportunity for anyone to invest in emergent startups and high growth real-world companies, fostering decentralization, transparency, and active participation by the involved parties, all while circumventing bureaucracy and ensuring high levels of trust and security.

" This DAO offers a unique opportunity for anyone to invest in emergent startups and high growth real-world companies, fostering decentralization, transparency, and active participation by the involved parties - "

Our platform empowers members of our DAO, to participate as investors in various investment funds, each tailored to achieve a unique purpose and funding goal. For instance, one fund may specifically target tech startups in Latin America while another target Impact driven companies in Asia.

Funds will start as a proposal that outlines its goals, amount, and conditions to the DAO, whose members will discuss, contribute and approve it, enabling thus the newly approved fund to receive investments from members, based on their preferences and capacities. We strive to keep the entry level for each fund as accessible as possible, balancing the need for control, size, and risk management, while avoiding adversarial behaviors not aligned with the purpose of the fund investment community.

Once a fund is successfully constituted (having raised capital to or above its predefined threshold), companies can apply for funding, providing necessary information and opening their operations information and evidence for a proper validating due diligence. A team of professionals will individually assess each company, and upon completion, fund investors will choose suitable companies for investment via a voting process. After the voting, the DAO will invest the allocated funds in predefined stages.

Enter the ALLI token, a liquidity solution to multiply value. After the round of investments is completed and the fund is successfully constituted, the DAO smartcontract will mint a portion of its ALLIs equivalent to the fund's raised amount. These tokens will be distributed to fund investors proportionate to their investments. A share of the minted ALLIs will also be allocated to the DAO founders to compensate for their investments in the creation and success of the



project. All these distributions will be predetermined as Operating Parameters of the DAO and will be changeable as the DAO matures.

Our vision is to elevate the decentralization of the investment space to unprecedented levels while ensuring trust, security, and simplification for all stakeholders and participating companies. With this potent combination of decentralized funding, we aspire to empower many promising companies to fulfill their potential. Simultaneously, we provide investors with opportunities to maximize their capital investments.

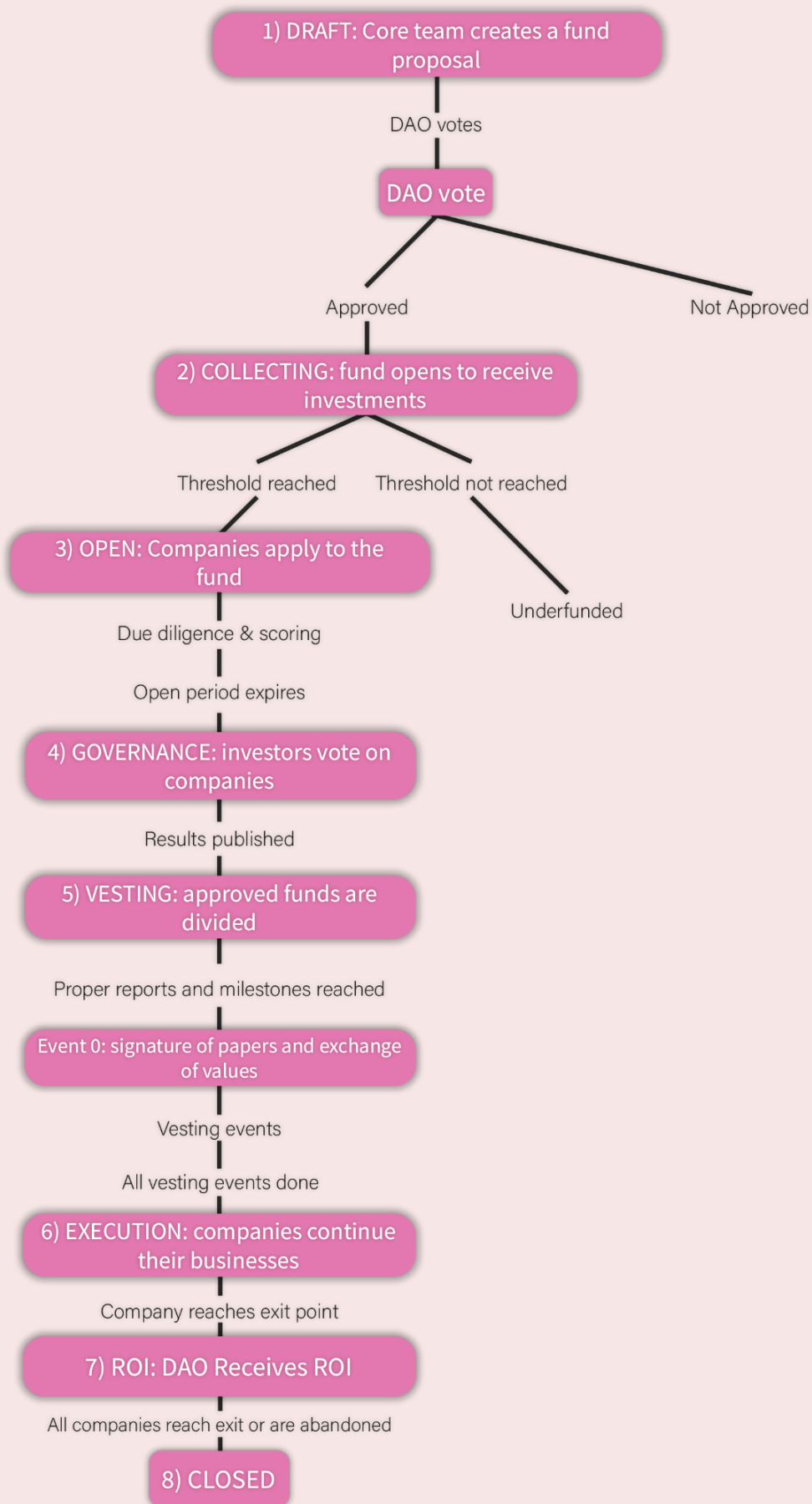
Token Allies offers you the unique opportunity to invest in a decentralized VC (dVC) from day one, an option typically unavailable to small investors in traditional finance. All this is made possible through Cardano's state-of-the-art blockchain technology and its thriving community. With Token Allies, we're not just changing the game; we're reinventing it.

3. Investing process and decision making in a dVC Fund

At the core of our mission is the ambition to scale our platform to accommodate thousands of companies and attract hundreds of thousands of investors. To achieve this we have crafted a Fund process flow that will allow any interested investor and seeking investments companies to understand in a very open and transparent way, how they can actively participate in it.

Now, let's dive on how the Token Allies investment process works:





The investment process begins with the **DRAFT**(1) phase, where the core team creates a fund proposal. This proposal includes, among others, details such as the target amount, purpose, target company, industry, type of maturity, expected investment period, and expected returns. This draft is then presented to the Token Allies DAO members, which will be able to provide insights and discuss on those details and finally vote on whether to approve the proposal. At any point in time several Funds can exist in parallel, but to avoid generating confusion and lack of focus, there cannot be two funds active in the COLLECTING phase at the same time.

If approved, the process moves to the **COLLECTING**(2) phase. During this phase, the fund opens to receive investments from DAO members that would choose to become investors of that Fund. The phase will be open for a certain period of time, aiming to reach the predefined minimum threshold. The minimum and maximum allowed investment amounts per investor for each Fund will vary depending on the voted Fund goals. The maximum amount will be carefully set to prevent any single wallet from holding more than 20% of the total investment fund and to avoid any potential adversary to game the system. If, by the end of the period, the threshold is not reached, the fund is considered UNDERFUNDED, therefore it is closed and the totality of the collected funds (minus gas fees) are returned to the investors wallets. However, if the threshold is reached, the fund is considered FULLY FUNDED and it is moved to the next phase.

In the **OPEN**(3) phase, the Fund is promoted and companies are invited to apply to the fund. Participating companies will have to sign the Terms & Conditions of the specific Fund and a corresponding NDA, so information can be freely exchanged with less risk. Each applying company will present a comprehensive project plan that has to respect the limits and conditions of the Fund, and will include at a minimum: the requested amount, the intended usage purpose of that amount, a business milestone roadmap, their key objectives to be reached, a description of the company funding status, and other corresponding required details that will be specified in the terms and conditions. It is important to note that all these specific details and information will be treated as confidential, under the NDA umbrella and will only be shared with the Fund Investors and the DAO authorized members that will also be under NDA. Certain information, such as the company name, requested amount, and other relevant details, will be shared within the platform with the general DAO members and other participating companies to promote transparency and facilitate auditability. The DAO Fund



operations team will appoint a specialized group of experts to conduct the proper due diligence on each applying company to verify their adherence to the Fund terms, their claims, business potential and relevant details. If a company is found not in adherence to the terms or their claims result false or misleading, its application will be considered NOT Approved, and will be removed from the next phase. This process will result in an assessment report and a score for each company, which will be presented to the investors in the Token Allies platform, all at once at the end of the OPEN phase and prior to the GOVERNANCE. The Token Allies platform and social channels will be also offered as structured opportunities for companies to showcase themselves to the vibrant Token Allies community before the voting process takes place, fostering engagement and building trust among all participants.

After all the Applicant Companies reports and scores are published, the **GOVERNANCE**⁽⁴⁾ phase begins. During this phase, Fund investors will vote on which companies are best suited to receive the investments. The voting power will be that of the amount of ALLI tokens existing in the Fund investor wallet at the time of the Cut-off (end of the OPEN Phase). Recognizing the importance of equitable decision-making, and the need to provide robust and antifragile systems, the DAO acknowledges the potential for implementing alternative voting systems that will be encouraged to be developed and discussed within the DAO members in the future. In order to assure transparency and security we will be using one of the DAO governance platforms available in the Cardano ecosystem, such as ADAO or Clarity. After the voting period is over, results are published, and the awarded companies are announced.

The approved assigned funds are then divided into vesting events, as predefined in the Fund details, to be enacted during the **VESTING**⁽⁵⁾ phase. The initial vesting event, Event 0, will be executed after the proper signature of papers and exchange of values with the awarded company. If there is any issue with the formalities required to enact the investment that are not resolved after a certain courtesy period, the awarded company will lose its spot and the next company in line by the voting results will result awarded (e.g. if 10 companies were initially awarded, the 11th placed company will receive the investment).

After Event 0, the remaining vesting payments will be made based on timely reports that the companies will submit and the successful completion of each agreed and published milestone, providing tangible incentives for companies to achieve their goals. Companies that fail to meet their milestones will not receive the planned vesting, holding the amount to be vested for the



next milestone, if the company catches up with its commitments, as documented in the signed investment agreement. Any not vested funds, will remain in the Fund Smart Contract until the predefined waiting period when an Invested company can be declared abandoned, so those funds can be returned to the Fund investors in the corresponding percentages.

After all the vesting events are due, the **EXECUTION**(6) phase starts, during which the companies will continue their businesses while the DAO monitors their results. If a company fails to achieve its goals, DAO members who invested in that Fund will be summoned to collectively determine the course of action and possibilities so a vote can be made to develop a viable exit strategy, declare the company investment as unsuccessful and abandoned or any other viable option, safeguarding the interests of all stakeholders involved.

Once the first of the invested companies produce an Exit, the process will enter the **ROI**(7) phase, profits generated by the exit will enter the Fund Smart Contract in a stablecoin, we are currently analyzing Coti's DJED as our primary choice. Once that transaction is confirmed, the received profits will then be ready for Fund investors' to claim their returns, proportional to the invested amount. Before the distribution happens 1% of the profits will be taken from the received amount and sent to the DAO Treasury, to continue building the DAO's ecosystem and model.

Finally, after all the remaining invested companies have produced an Exit and/or are declared abandoned, the process reaches the **CLOSED**(8). At this point, the DAO concludes its management of the fund and a final report is attached to it in the platform.

It's important to note that this process and its phases are subject to change over time, based on the insights obtained by experience, allowing the DAO to adapt and optimize its approach based on evolving circumstances and results obtained.



4. Our platform and Tokens

Token Allies takes advantage of Cardano's powerful native tokens capabilities to create a DAO platform that caters to all involved parties. Our Token Allies model will use three different tokens: ALLI (Liquidity and Fund Governance), the DVC (DAO governance) and the Fund investor ID NFT. Because of the native characteristics of Cardano, all three tokens will be easily transferred and HODL within the existing wallets and platforms in the Cardano ecosystem. For details on how these tokens will work see the section Tokenomics.

Companies joining our platform can apply for funding at any open Fund, through a user-friendly interface. Upon successful voting, they receive easy access to funding, as well as a platform to report their progress and achievements as a transparency mechanism and investors communications tool. We'll also offer optional service packages that can include support, consultancy, and more. Investors, on the other hand, can easily participate in the creation, execution and invest in Token Allies Funds through a straightforward tool that will provide all the needed information.

To sustain the DAO operations, there will be a Budget presented and approved by the DAO members. To fund that budget, the DAO treasury will provide an initial amount of funds, but the main funds will come from the successfully constituted Funds, as there will be a one-time operations management fee, of 9% of the collected Fund amount (around 2% per expected investment year). This percentage is significantly lower compared to traditional venture capital models, where management costs typically have a lifetime fee of 16.5%. This fee will be directly transferred to the DAO Operational Wallet upon the fund reaches its threshold and gets fully funded.

It is important to distinguish between the operations management fee and the Token Allies core team awarded ALLI tokens, as they serve different purposes. The management fee covers operational costs of the platform, while the ALLI tokens awarded to the Core Team, are a reward as a compensation to the founders for the early efforts.

The DAO core team will aim to keep this operating fee as low as possible during the initiations of operations, though this will be managed as a DAO parameter, so it can be changed/voted by the DAO in the future.



These operations management funds will be used to hire the operations and due diligence team and to sustain and further development of the DAO infrastructure, among other operations costs. All these costs will be public and reported to the DAO, so they can be audited. This approach ensures the sustainability of the DAO's, particularly during its early stages.

5. Token Allies DAO

5.1 Governance

While the ultimate goal is to create a fully decentralized DAO, Token Allies recognizes the importance of a gradual and measured approach. Rushing the decentralization process could lead to catastrophic consequences. Hence, the step-by-step model was established to ensure a steady and sustainable path towards complete decentralization. By following this model, Token Allies strives to build a resilient and inclusive governance system, ensuring the DAO's stability and the successful implementation of its vision for the benefit of all participants.

Our DAO governance system will follow a 4 phases roadmap, progressively decentralizing and increasing community involvement.

DAO v1: Marks the initial step in the development of the Token Allies DAO. The Token Allies core team assumes the majority of the operating responsibilities. Like producing the DAO's operating budget, hiring the team, developing the platform, producing reports and proposing the purpose and goals of each Fund. The core team will be making necessary changes to parameters that are approved by the DAO. By shouldering these responsibilities, the core team aims to lead the DAO to fulfill its purpose while mitigating risks during the early stages of the journey. For each DVC token issued when a new member or an existing one mints, the core team receives an extra one (1/1), maintaining the Governance power equilibrated between new members and the core team.

DAO v2: After the first Funds have been successfully constituted and launched, real companies became invested and a track record has been established, the DAO will be ready to move to Phase 2, three core team selected DAO members will join the Token Allies Managing



Committee, which comprises both the Token Allies core team and the newly selected members. The amount of extra DVC tokens issued to the core team is halved (1/0.5). This composition ensures that decision-making power is gradually becoming more and more decentralized through time, diluting the core team's power. Striking a balance between expertise and inclusivity.

DAO v3: At this point the model has to be showing traction, scale and real results (ROI), validating that it is prepared for scaling. The committee will open applications for the addition of three new members, to achieve this, the DAO will elect three individuals from self-proposed candidates, to be added to the committee. The amount of extra DVC token issued to the core team, each time a new DVC token is minted is halved again (1/0.25). This expansion allows for diverse perspectives and enhanced representation within the decision-making process and further decentralization.

DAO v4: This phase represents the pinnacle of true decentralization for Token Allies. It will be determined by the community itself through open discussions and voting. The DAO will collectively decide how Token Allies will be governed in the years to come. When entering this phase, there will be no more extra DVC tokens issued to the core team, diluting founders weight through time. This community-driven approach ensures that the interests and aspirations of the stakeholders are at the heart of the decision-making process.

As we navigate the transition from one version to the next, we have set several crucial milestones before progressing with the decentralization of the Token Allies DAO. Each step along the way has to be carefully planned and executed with the ultimate goal of advancing the DAO's decentralization process in a secure way for the DAO.

	FROM V1 TO V2	FROM V2 TO V3
KPI 1	First two FUNDS successfully constituted	First two FUNDS returning earnings as expected
KPI 2	1st Investments are successfully made.	1st Profits are properly distributed.
KPI 3	ALLI Hodlers maintaining their ALLI positions	Secondary market of ALLIs is not successful in dumping ALLIs price
KPI 4	Dao Workflow can be properly documented.	Delegation of key tasks from the Core Team.



5.2 DAO Treasury

In our own experience within Cardano, we have understood that a great DAO is formed by its community and that community has to have means that enable participation and engagement, besides the DAO main purpose and model. Having a Treasury will allow its members to be able to create projects that help the model to grow and expand to new heights, generating exponential growth.

Our model includes the formation of such a Treasury, initially constituted by the income generated by new members purchasing the DVC token, initially set at 100 DJED per DVC, but as the DAO matures and its model proves its success, new sources of income for the treasury will be available. For example, in the case of EXIT rewards from each fund, the treasury is entitled to receive 1% of the total returns generated.

Possible Uses of Treasury

While the DAO members will decide the utilization of the funds, potential uses could range from continued development of the Token Allies ecosystem to marketing efforts, community projects, and infrastructure development. The treasury funds could also be deployed for moderation purposes and other community-centric initiatives, ensuring the growth and sustainability of the Token Allies ecosystem.

It's important to note that the treasury's growth will truly gain momentum when v2 is released. This is because we first need to validate the business model in v1 to ensure its long-term viability. Once validated, we can focus on enhancing efficiency and growing the treasury, which could eventually become one of the DAO's most significant tools for innovation and expansion.

We envision the treasury as an essential catalyst for the DAO, enabling it to develop new strategies, promising projects, and create value for all its members. As such, the treasury's growth and management will be a key focus for Token Allies as we move forward.



6. Tokenomics

Our Token ALLI model will work with three different tokens:

DVC Token

Our governance token, the DVC token (Decentralized Venture Capital), is a utility token with a fixed price set by the DAO and will be required for any interaction with the DAO platform, its governance and to be able to become an investor in any Fund. DVCs can be sold and/or transferred to any other Cardano wallet, transferring all the rights it grants as a member of the DAO. During the firsts iterations of the DAO, the Token Allies core team will receive a certain amount of DVC tokens to guarantee that the initial decision making is aligned with the DAO purpose and disincentivize any adversary attack on the DAO.

The DVC token will be minted in batches over time to ensure fair and equitable distribution, while securing a permissionless system that allows anyone that is fond for the DAO's purpose and abides by its rules and terms, to become part of the DAO.

Fund investor ID NFT

The FUND token is an ID NFT that will identify the holder as a FUND investor, it will be unique and in its metadata it will hold all the proper details of the investment made. It is a token that will be required to claim rewards from the Fund Smart Contract once they become available. It is also a transferable token, that can be sold to other person, with the consideration, that in order for that person to be able to claim any funds from the Smart Contract or to vote in any Fund decision, that person shall be also a member of the DAO (should also have one DVC token at least).

This token is minted upon a Fund is declared Fully Funded, and will be sent to the Investor's registered wallet address.



ALLI Token

ALLI is our liquidity token, minted when a Fund is declared Fully Funded, using a predefined exchange rate per DJED invested (initially the rate will be 1 DJED = 1 ALLI). The minted ALLIs will be immediately sent to each investor's registered investment wallet address, according to their DJED invested in that specific fund. ALLIs will also represent your Investor Fund's voting power and can be accumulated for future Funds. However, just possessing ALLI does not necessarily grant access to the DAO nor to claim any rewards of any Fund, for that the other two tokens will be needed.

As part of our decentralization process and to compensate the Token Allies core team, an amount of 20% additional ALLIs will be minted after each fully funded Fund and sent to the core team. The amount will decline over time, as it was explained in the DAO section. Proper vesting mechanisms will be in place for the founders ALLIs

Voting Process with ALLI

Choosing a voting mechanism is a complex task due to the known pitfalls with existing voting mechanisms. While the voting mechanism is crucial to prevent bad actors or specific interests from hijacking the governance of a Fund, we recognize that this will be a matter of debate and iteration within the DAO, so it will be subject to improvement and change.

As a first step, the initial voting mechanism will be as follows:

Investors in a Fund can vote on many governance actions, such as which companies receive funding from the Fund and on any decision to be made during the Fund's lifetime. The voting power for each investor is calculated based on the amount of ALLI held in the investor's wallet (that possesses the Fund investor ID NFT) at the snapshot time published for any specific decision/vote to be made. However, to avoid gaming the system, the voting power is initially capped at the amount of ALLI received as a reward for the investment made.

This voting power can accumulate from fund to fund, rewarding loyalty and trust, and as a premium for ALLI Hodlers. For example, in Fund 2, if an investor has participated in Fund 1, their maximum voting power will be capped to the sum of ALLI received in Fund1 + Fund2, plus a potential extra 15% as a reward. Allowing for investors to purchase an extra amount of ALLIs.



7. Roadmap:

- **Q2 2023:** Whitepaper release.
- **Q3 2023:** dVC Mint, Platform Launch , Fund 1 Proposal and approval.
- **Q4 2023:** Fund 1 is launched.
- **Q1 2024:** Scaling and decentralization of Token Allies DAO.

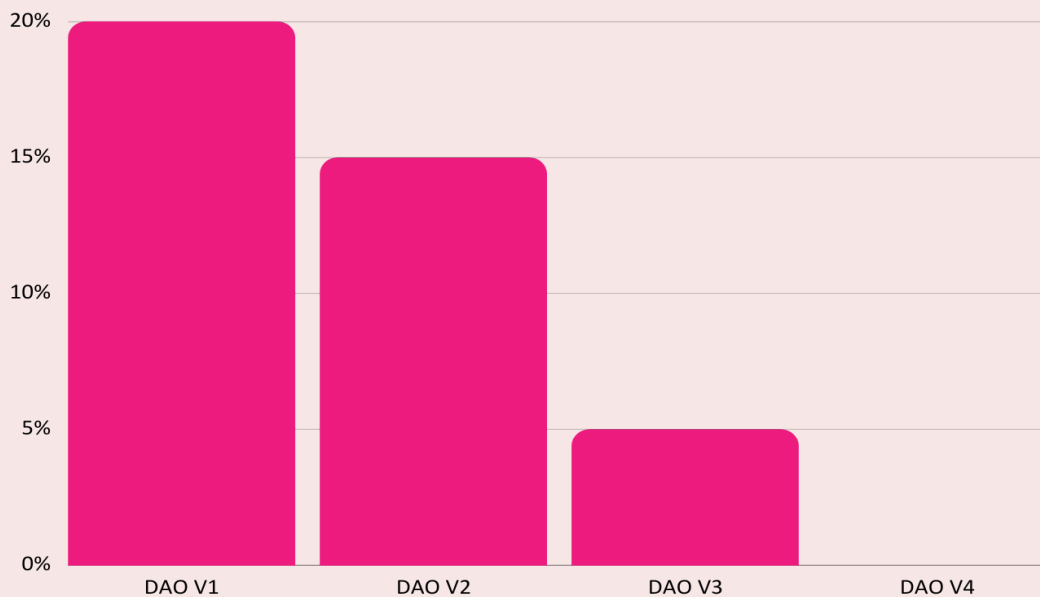
8. DAO decentralization, founders forced exit strategy

We believe in the importance of a 100% decentralized DAO. Therefore, we have planned a gradual reduction in the founders' power within the DAO, but we also acknowledge that any new project needs direction and guidance as it grows and pivots. So it is necessary a mechanism that evolves as the DAO matures. This mechanism is explained within this paper but eventually, the DAO members will decide if that strategy is the best or needs to be adjusted, extended or changed in any form.

Our aim is to be a truly decentralized and accessible DAO, ensuring fairness and transparency for all participants and becoming the most impactful, 100% Decentralized Venture Capital in the world. As mentioned earlier, during each ALLI minting event, the founders will receive an additional 20% of ALLI tokens. As the DAO matures, this will slowly decrease to 0.



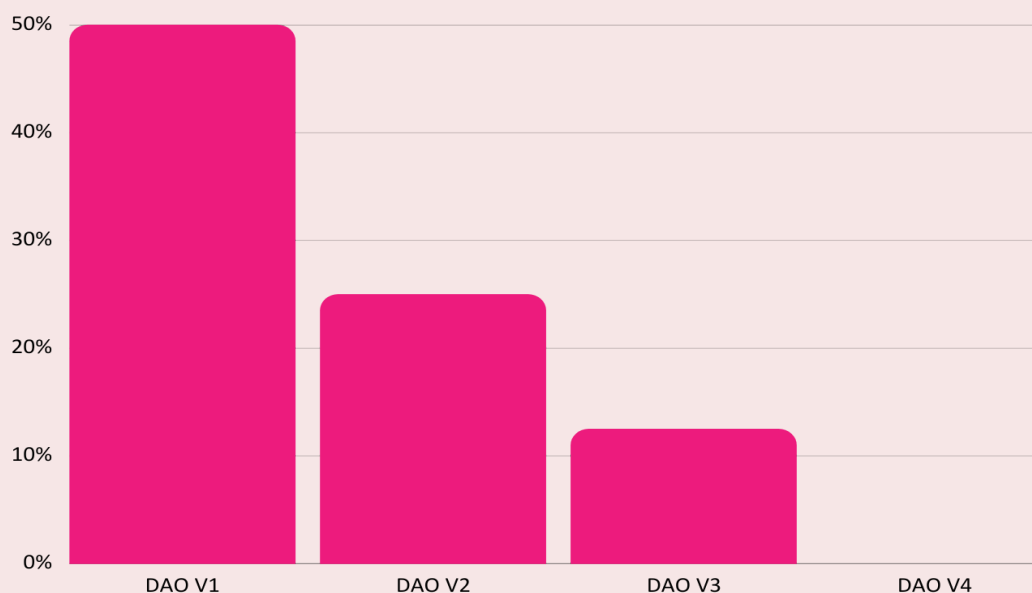
Additional ALLI allocation for each new mint



In addition to the minted ALLI tokens, the founders will receive a percentage of DVC tokens. Initially, to secure the DAO's governance and avoid adversary attacks, this percentage will be set at 50% and gradually decrease as the DAO matures. By having 50% of the token supply under the control of the founders and the DAO, we can prevent any malicious actors from taking over the DAO right from the start. However, as DAOv2 maturity is reached, the percentage of DVC issued to the DAO Core Team will be reduced.

Our ultimate goal is to swiftly progress to DAO V3, but we understand the importance of making wise choices that contribute to the long-term success of the DAO.

Founders dVC allocation through time



9. Our talented team

Lucas Macchiavelli: Co-founder and Project Manager

Active member of the Cardano community as Cardano Ambassador and cofounder of the LATAM Cardano Community. He Embarked on his journey in the realm of traditional stock markets, swiftly cultivating a fervent passion at 19 years old. He soon set his sights on the captivating landscape of cryptocurrencies and blockchain technology, recognizing their potential to revolutionize lives. Through the power of blockchain, previously inaccessible doors swung open wide and driven by a profound desire to reshape the landscape of funding he found a new mission.

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Alex Pestchanker: Cofounder and CTO

Alex has over 25 years of experience building digital products and companies. He possesses a dual background, serving as a solutions architect and developer (cloud, blockchain, dev, devops) while also excelling as a company builder and advisor, assembling high-performance teams to deliver customer-loved products (customer development, agile, lean, design thinking). Additionally, Alex is a professor and public speaker, contributing to the

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Facundo Lopez: Co-founder and Lead Business dev

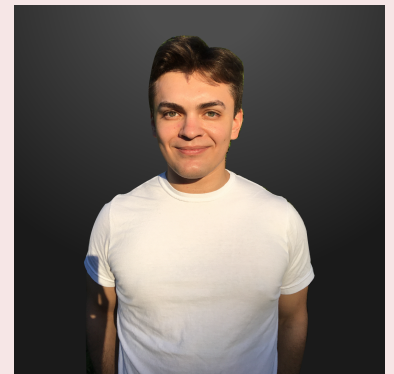
His entrepreneurial mindset has led him to develop skills and live experiences throughout his business path that were essential when it came to creating, designing, and executing Token Allies. His ambition, passion, perseverance, and abilities, combined with all the knowledge acquired during his academic training, are crucial when carrying out and managing the project, especially when taking care of administrative issues.



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Elias Aires: Community Management and Growth

Started as a content creator, creating and managing CardanoWeekly, on Instagram. Through strategic marketing efforts, Elias witnessed firsthand the overwhelming support of the Cardano community and recognized the importance of simplifying information for a broader audience to comprehend the project and its ecosystem. This experience led him to join the Token Allies team, where he seamlessly transitioned his skills into a more institutional landscape.



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10. Legal considerations

As we embark on this exciting journey, it's important to address the legal aspects of this model. Fortunately, on the real world investment side, by having chosen a Venture Capital model, we have the advantage of evolving from a proven model, allowing us to build upon existing frameworks rather than reinventing the wheel like many Blockchain protocols need to.

To ensure compliance and legitimacy, the Token Allies DAO will be registered in a jurisdiction (yet to be decided). DAOs have gained recognition as legal entities in various jurisdictions all over the world, and that is a great advantage and a need for signing investment contracts, receiving shares and other legal requirements that will be needed for a VC model to work.



In terms of investment contracts, such as the Investors Agreement, Invested Companies Agreements, Terms and Conditions and others, we will draw upon the expertise and experience of traditional Venture Capitals. There is a longstanding track record and well-established investment contract frameworks in the world. By utilizing these structures, we can navigate the legal landscape with more confidence than most Decentralized projects.

By aligning ourselves with existing legal models and leveraging the proven success of traditional investment contracts, we can reduce risk and be compliant.

On the Blockchain side (investors) as we are forming a DAO, the investors will be free to interact, becoming members, decide and invest in the DAO's Smart contract managed Funds, and per the nature of any DAO, there is no regulations that can stop its members to associate and operate under the DAO terms. Though it is strongly suggested that you do your own research, on the jurisdiction you operate, live or are binded to, as many different regulations and conditions can apply to you as an individual.

11. Early Investors

Currently Token Allies has made remarkable strides in its development. We have successfully secured several funding rounds through Cardano's Project Catalyst, with the support and votes of the Cardano community, these funding rounds have provided us with enough resources to build our first Minimum Viable Product (MVP) and establish the Token Allies brand, bringing us tantalizingly close to the launch of our first investment round.

But also a select group of early investors who shared our vision, trusted us since the early days and provided our initial batch of funds to develop, at that time, a different type of company and model, funds that were essential for us to be able to participate at Catalyst, generate our first mockups and processes and create the first steps and prototypes.

27 of those early investors participated in a brief private round, exclusively for community members, from April to December 2021. In this round, we collected the amount of \$26,500 in exchange for a receipt as an advancement payment for a certain amount of ALLI tokens (with the previous model). It is important to notice that all these individuals are clearly identified and none of them has its permanent residence or holds US nationality.



As the original model changed quite a bit, in order to maintain our promises, fulfill our commitments and compensate those early investors, each of them will receive 2 options that they will be able to choose freely to compensate for their investments:

1. If they choose this option: They will receive ALLI tokens at 1.5 ALLI for each 1 USD of their original investments. Meaning a 50% ROI from their investment. The initial supply of ALLI tokens for this will be sourced from the DAO Core team's issued ALLIs upon a fully funded Fund 1 is achieved.
2. If they choose this option: They will receive DVCs at a conversion rate of 1 DVC per 50 USD invested (Price of DVC at launch). So they would receive their original investment on DVC and will be able to be part of the DAO and continue their relationship with the project.

12. What markets are we entering?

Token Allies is embarking on a mission to identify and invest in promising opportunities across various markets outside the realm of blockchain technology. Our goal is to leverage the power of decentralized finance to support innovative projects and generate high returns for our investors.

With a keen eye on market trends and emerging sectors, we are actively scouting potential markets where our investments can create significant impact. By conducting thorough market research, meticulous due diligence, and comprehensive analysis, we strive to uncover untapped potential in industries such as renewable energy, healthcare, artificial intelligence, and more. These sectors offer tremendous growth opportunities and align with our vision of making socially responsible investments that contribute to a sustainable future.

Our focus on assembling professional teams ensures that every project undergoes a rigorous evaluation process, considering factors such as market size, competitive landscape, regulatory environment, and growth potential.



Through our commitment to professional analysis, we aim to provide our community of investors with a diverse portfolio of investment opportunities that span beyond the boundaries of blockchain technology. By diversifying our investments across multiple sectors, we can mitigate risks and seize opportunities in markets poised for growth and disruption.

13. Join us!

By joining our DAO, you become an integral part of a community that values innovation, sustainability, and social impact. Together, we have the power to shape the future and support groundbreaking projects that can reshape industries and improve lives.

Imagine being at the forefront of investment decisions, contributing your insights, and participating in the governance of a decentralized ecosystem. Your voice matters, and it will play a crucial role in shaping our collective journey towards success.

Whether you're an experienced investor, a passionate advocate for change, or simply someone who believes in the power of decentralized finance, we invite you to join us. Together, we can unlock untapped potential, explore new markets, and create a better future for generations to come.

Join Token Allies and embark on a journey that will not only yield financial rewards but also leave a lasting impact on the world. Together, let's shape the future we envision—one investment at a time.

JOIN US:



Version changes to whitepaper

Version name	Changes
Token Allies DAO v1.0.1	<u>Conversion rate correction:</u> -11. Early investors: They will receive DVCs at a conversion rate of 1 DVC per 50 USD invested. Previous version said: 1 DVC per 1 USD

