BearShares Investor Pitch

house _ 02/27/24

What is BearShares?

BearShares is a blockchain smart contract that allows any image on the internet to be claimed by their original creators. The smart contract does this by integrating a standard Decentralized Autonomous Organization (DAO) based model around “claim -> dispute -> vote -> settle”.

When you combine this model with the ability to automate image comparison, you effectively create a ‘credit bureau’ for memes on the internet. If you have the ability to validate meme creators, you can then back the value of image NFTs with much more than just speculation. You can back the NFT with an actual ‘following’.

And then if you successfully aggregate this type of backing… you suddenly wind up with millions of meme ‘hobbyists’, tapping into a six billion dollar per year industry.

What makes this solution unique?

The secret sauce lyes in how the images are stored and referenced within smart contracts

Traditional solutions: they store web links inside the smart contract, which actually creates a ‘centralized’ solution. This means, that if/when those web links are down, everyone loses the ability to access their NFTs (they can’t see their images). This flaw can easily be seen on every NFT marketplace as their ability to display NFT images randomly fails for various NFT smart contracts.

BearShares solution: we store image ‘hashes’ and integrate a comparison algorithm. This allows images to be stored anywhere on the internet, and simply be ‘validated’ during sales or transfers of ownership. This creates a ‘decentralized’ solution that can only fail if the entire internet goes down.

Aside from solving this simple ‘down-time’ problem that 99% of image NFT contracts encounter, storing ‘hashes’ allows us to easily integrate image comparison algorithms, which is what securely backs the meme creator ‘claim & dispute’ process.

Why memes?

Our market research shows us that memes are now a $6B industry and growing by a billion dollars every year over the past 4 years.

75% of people between the ages of 13 to 36 engage with memes every day.
This is about 52 million Americans per day.

Memes are just the start. There are many industries that can be changed with the ability to combine DAO voting with 'hashed' data. However, we feel memes are the easiest way to get the ball rolling. We see it as the easiest way to get people to start using the smart contract, quickly, and in masses. (further details outlined in 'BearShares Customer Base' below)

BearShares Use Case

…. TODO

BearShares Customer Base

early adopters: Meme addicts & hobbyists.
Our market research shows us that creating and sharing memes is a top rising industry, currently valued at over $6B, with 75% of early to middle-aged Americans engaging every day. Most of these people are not getting paid or earning recognition for their work.

Considering these numbers, we see a neglected market that is waiting to take off. We see meme addicts & hobbyists as an excellent opportunity for 'quick & mass adoption' in utilizing our smart contract.

expanding adoption:
Successfully acquiring this 'quick & mass adoption' will allow our smart contract to be the first to claim a trusted 'credit bureau' like status on blockchains. After demonstrating and proving this status, we can then move on to verifying claims of ANY type of medium that is capable of using 'hashes'

Examples: images, audio, video, writing, digital safety deposit boxes, shared wallets & assets, shared passwords, etc.

Hence, in considering the possibility that meme hobbyist may indeed fail to adopt our technology, our integration leaves a backdoor open to pursue these example industries (above).

later adopters: NFT market place and block explorer industry leaders.
Our smart contract can easily be used as a utility. This is the basis of our expanding B2B model. When these industry leaders take notice of how we are attracting new users and providing new value within NFTs, we see them building (wrappers) on top of our integration.

We are striving to encourage this behavior (within our source code), as we will naturally be collecting fees underneath every single transaction.

How does BearShares generate revenue?

We have a unique revenue retention cycle …. TODO
… where does the revenue go? (divided and distributed)
… discuss mint/burn algorithm to fight market conditions
… discuss user revenue retention cycle
… discuss % of revenue that will be distributed to $BSI holders

What is $BSI (BearSharesInvestor token)?

$BSI is a separate simple ERC20 token that will be distributed to investors upon launch. Investors will receive these tokens at a ratio of 1 BSI to 1 USD invested.

Wallet addresses that hold $BSI will automatically receive revenue shares in USD stable as revenue is acquired by the contract. The amount of revenue received is based on how much $BSI is held in any given wallet address.

$BSI holders can freely exchange their $BSI for native BearShares tokens, by using the BearShares contract 'buy-back' feature. The exchange rate will be set at 1 BSI to 1 USD value 'in BearShares tokens'.

$BSI holders may choose to freely sell their $BSI tokens on the open market. However, inside the BearShares contract, we will lock a 'buy-back' exchange rate of 1 BSI to 1 USD 'value'. This will support an 'open market exchange rate' of 1 BSI >= 1 USD value.

Support metrics…

1 BSI is unlikely to fall below 1 USD, as the contract can be used to get 1 USD in value (similar to some stable coin algorithms)

1 BSI is likely to rise above 1 USD, since BSI holders will be earning revenue

NOTE_1: This integration means that native BearShares tokens will indeed be 'minted' if investors choose to use the 'buy-back' feature within the BearShares contract. This is indeed by design and will be best accounted for in the mint/burn algorithm for generating revenue.

NOTE_2: BearShares will NOT be providing any liquidity for $BSI on the open market. Investors will have to pursue their own OTC route of exchange in order to initially sell.

NOTE_3: After initial launch, there will be a grace period before the BearShares contract will offer $BSI 'buy-backs'. If investors choose to sell their $BSI on the open market before this grace period ends, it will be at their own risk.

NOTE_4: $BSI will only be minted and distributed to investors. The first distribution will be at BearShares launch, awarded to the initial investors we receive during this current round. If

we choose to pursue additional rounds of investment in the future, the following provisions will be supported via the BearShares smart contract source code (in order to account for dilution of BearShares revenue distribution; as more $BSI will be minted)

Provisions…

1) existing $BSI holders will be offered priority opportunity
2) a vote will be required by existing $BSI holders

Who is our competition?

We don't currently see direct competitors, but rather a 'dormant market' that industry leaders have overlooked. We view these 'industry leaders' as 'late adopters' of our smart contract, as well as potential exit strategies.

Example: opensea and other NFT market places

We don't feel the need to take away their 20k txs per day. We just need to get those 20k txs to adopt the additional value that our smart contract offers. We see the adoption of BearShares as leading to more NFT txs within these existing market places, increasing their profit margins and quite possibly even leading to an acquisition of our venture

Example: debank

We don't feel the need to launch a huge front-end that binds all activity on wallet addresses back to social media accounts. We just have to hyper focus on one niche demand, like claiming memes as NFTs, validating these claims, and allowing these claims to generate a following. After we demonstrate this success model, we foresee debank directly integrating our contract into their from-end. It would be much easier and cheaper than integrating their own model from scratch.

Why ERC404?

Utilizing ERC404 is simply a tool to support the structure of a company's "value on the blockchain". With the release of ERC404, blockchain solutions now have the ability to sell a product or service, while releasing tradable tokens on the open market, under a single contract address.

This is analogous to a single company issuing shares to be traded, and having the value of those shares be a reflection of the success the company.

With ERC404 we have the potential to release a smart contract that changes the meme industry, in addition to changing the NFT industry, while launching a tradable token that's value is NOT based on simple speculation. With ERC404, we have a chance to kill 3 birds with 1 stone.

Launch Schedule (why 3 months?)

1) We need to market and build a following. We don't have the benefits of a simple 'meme coin' launch, with no utility. Our business model will NOT work in the sense of 'gathering a quick hype, throwing in some liquidity at launch, and selling a quick top'. Instead, we need to build a foundational backing of 'users waiting eagerly to start claiming' their images on the internet. This foundation will attract the opposing 'disputers' (our 2nd user type), which is a crucial aspect in the DAO validation aspect. This launch design will jump start the revenue retention cycle.. ie. 'claim -> dispute -> vote -> settle => claim -> dispute -> vote -> settle => etc.'

2) We should wait a little bit for ERC404 to iron out its bugs. The dev community is actively working on it, as current releases have already displayed known concerns. Additionally, exchanges and wallets have now begun software updates in order to fully support the protocol. Even though the core algorithmic aspect of our venture is not based around ERC404, it's best to tread cautiously around new technology.

3) The coding time is estimated to be around 1.5 months, but we need to allocate time for testing and bug fixes. With the extra 1.5 months, we can safely synchronize testing, marketing, and ERC404 advances.

What else can the tech. do?

By storing 'hashes', we can effectively validate the creators of anything posted on the internet. For example, we can validate audio & video files…

- this will allow people to claim & build followings around music or audio tracks
- this could perhaps offer adoption within the indy-film industry

By storing 'hashes', the contract can act as a digital 'safety deposit box', effectively locking any data within the contract itself…

scenarios can be created where 'data' can only be accessed with a password or key.
This opens up a wide array of adoption to all kinds of security industries.
'locked data' could be: full wallets or seed phrases, source code, web links, etc.

The notion of using 'hashes' can be applied to any kind of 'text' you may want to hide 'out in the open', and assured that it can never be lost.

These examples, among many others, can all be executed within the same smart contract without the need to launch a new project. These different execution strategies can be utilized as potential expansion opportunities or pivot points depending on market adoption.

Why PulseChain?

PulseChain is cheap, efficient and easy to onboard new blockchain users. The meme addicts and hobbyist, that we are initially targeting, has a higher probability of jumping into PulseChain due to the lowered fees (as opposed to Ethereum).

Who is our core team?

House and Rabbit have been working together and earned each other's trust over the past year. We came together during the Atropa/pDAI rush last year. We were the first to crack the minting puzzles that the Atropa/pDAI devs released to the community.

House is lead and maintains control of all final decisions in regards to financials as well as integration & execution. Rabbit acts as an executive officer and handles the day-to-day, organizational aspects, initial design proposals, initial research & proof of concept, task management and general management of active volunteers / current team.

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