

Project Name:

Ooki Protocol

Author Name:

Ang

Number of OP tokens requested:

700k

L2 Recipient Address:

Relevant Usage Metrics:

(TVL, transactions, volume, unique addresses, etc.)

Optimism alignment (up to 200 word explanation):

Ooki is extremely aligned with the Optimism and looks forward to cooperating with the core team and community. Ooki Protocol ([Ooki.com](https://ooki.com)) is a protocol for margin trading, borrowing, lending and staking deployed on multiple blockchains. Ooki is a fully decentralized, DAO led project, governed by community vote for all major changes to the protocol.

Ooki users can open margin trades with up to 15x leverage using a fully decentralized trading platform. Ooki users can lend out funds and earn interest on their capital, and also borrow funds against collateral. Ooki users can participate in platform governance through the OOKI DAO, and use their OOKI tokens to vote on proposals, submit new proposals, and participate in platform governance.

We are excited to service the entire Optimism Ecosystem with secure and reliable DeFi leveraged margin trading, borrowing, and lending services for long tail tokens deployed on Optimism. Initially, after Ooki is deployed, margin trading/borrowing/lending pairs will include USDT, USDC, DAI, UST, FRAX, ETH, WBTC

Proposal for token distribution (under 1000 words):

In order to provide an optimal DeFi experience, sufficient liquidity is needed for traders to open new margin trading positions. On Ooki, anyone can lend out funds and earn interest. Initially, seed liquidity is necessary to provide liquidity to attract and incentivize new lenders, borrowers and traders to the application.

Once sufficient liquidity is established, users open large margin trading positions, short or long, borrow funds with collateral, as well as lend out funds and earn interest. Ooki has a recently launched an innovative and unique [dynamic interest mechanism](#) to ensure borrowers and lenders receive optimal interest rates when opening new positions on Ooki. Ooki's approach to delivering optimal rates to lenders and borrowers uses a variable interest rate with a dynamically changing interest rate curve. The new dynamic interest rate system is preferable because it will allow liquidity pools to grow larger.

Additionally, Ooki protocol gives developers and pro users the ability to use flash loans. Flash loans are an uncollateralized loan option designed for developers. Flash loans enable users to borrow instantly and easily with zero collateral obligations, provided that the liquidity is returned to the pool within one transaction block. Use-cases include arbitrage, collateral swapping, self-liquidation, and much more.

How will the OP tokens be distributed?

OP tokens will be distributed to users who lend out funds used by traders to open margin trading long/short positions. OP tokens will also be to traders and borrowers to incentivize activity.

How will this distribution incentivize usage and liquidity on Optimism?

To facilitate the successful launch of Ooki on Optimism, Ooki is requesting a grant of 400k OP tokens which will be used to incentivize traders, borrowers, and lenders to open new margin trades, lend out funds, and borrow on Ooki's Optimism deployment. These funds will be utilized in order to Incentivize borrowing, trading, and lending activity on the OOKI Optimism deployment. Utilizing various incentive mechanisms, including borrowing incentives, and trading incentives.

Why will the incentivized users and liquidity remain after incentives dry up?

After incentives are removed, users will continue to use the product in order to earn interest, and engage in margin trading long short with up to 15x leverage. The liquidity incentives are used for initial liquidity to bootstrap platform usage.

Please let us know if you have any questions, or if you have feedback. We'd love to hear from you!

Over what period of time will the tokens be distributed?

The planned incentive period will be between 6-12 months.

How much will your project match in co-incentives?

Ooki tokens may be added pending approval of Ooki DAO.