

## ABSTRACT:

We propose that ApeCoin DAO remains part of the Ethereum ecosystem by partnering with Immutable X L2; Immutable X is the first cross-liquidity scaling protocol for NFTs on Layer 2. The platform is built on StarkWare's layer 2 engine, leveraging zero-knowledge technology to achieve significant scalability on top of Ethereum without compromising on security or decentralization.

So far Immutable has minted more than 50 million NFTs and processes [more NFT trades](#) per month than any other blockchain or L2 - all without compromising Ethereum security, 100% gas-free minting/trading, and allowing for instant transaction settlement.

Immutable X has raised over \$280M USD, at a \$2.5B valuation with over 300 employees globally. The top blockchain games and projects in the world are built on Immutable X; including Illuvium, EmberSword, Gods Unchained, Guild of Guardians, TikTok, GameStop, DC Comics, and many more.

## MOTIVATION:

Living on Ethereum is [key for ApeCoin's community](#), and Yugaverse's continued investment into the Otherside metaverse. Arguably ApeCoin continuing to live on Ethereum is also key for the Ethereum community. It was the BAYC that first brought NFTs to the mainstream audience and got us to a point where the likes of Jimmy Kimmel, Justin Bieber, and Stephen Curry now all own Ethereum assets. ApeCoin forms an important part of Ethereum's history and hopefully long term future.

Ethereum is the secure blockchain and is where the majority of NFT network effects are; particularly in gaming. The only way for ApeCoin to take full advantage of Ethereum's unrivaled benefits AND provide a seamless UX (e.g. 0 gas, instant trade settlement, mass-liquidity, and Ethereum security) is via Layer 2s.

Immutable X is the first liquidity protocol for NFTs on Ethereum Layer 2 powering the next generation of web3 games and projects. Utility NFTs, like game assets, have traditionally struggled to achieve strong liquidity at a huge scale without [compromising decentralization or security](#). Immutable X exists to solve those problems and allow hundreds of millions of users to own their assets, while playing the world's biggest games.

Web3 gaming is in Immutable's DNA; the protocol is dedicated to enabling the highest possible volume and liquidity for games - with the vision of reaching planet-scale. The Immutable X protocol powers some of the largest web3 games currently in existence, including Gods Unchained, Guild of Guardians, Illuvium, EmberSword and PlanetQuest - with many more launches and announcements coming soon.

In addition to being ApeCoin's Trusted Settlement Layer, Immutable X will be a strategic partner - consulting the ApeCoin community cross web3 economy building, game mechanics, marketing and design as the Yugaverse continues to innovate and provide world building experiences to the ApeCoin community - all at planet Ape scale.

## RATIONALE:

Immutable X as ApeCoin's trusted Layer 2 scaling partner on Ethereum will result in an immediate gas-free minting/trading environment for holders and instant liquidity across the fragmented NFT ecosystem.

- Immutable X has minted over 50 million NFTs and in April processed more NFT trades than any other blockchain or Layer 2 - all gas free and 0 reliance on trusted bridges.
- Immutable X is at the forefront of Layer 2 innovation; most [recently announcing](#) the first cross-rollup liquidity layer for NFTs, which will allow multiple L2/L3 zk-rollups with StarkNet. This showcases Immutable X's core mission of bringing scaling and liquidity solutions to the next billion players of web3 games.
- Immutable X is a zk-rollup, built using StarkWare's StarkEx prover/verifier system. This means Immutable orders a batch of L2 transactions, generates a STARK proof that those transactions are valid, and submits that proof to an L1 smart contract "verifier" which updates some L1 state (in our case, the root of a merkle tree containing millions of user NFTs/balances). Importantly, this scales substantially better than natively batching transactions, as STARK proof verification cost scales sub-linearly with the number of transactions. All state transitions must be verified by an L1 smart contract; Immutable can never insert invalid transactions into the rollup, or steal assets, even if Immutable's systems were fully compromised. This is an extremely [strong security property](#), and part of the reason [Vitalik described rollups](#) as the "key scalability solution for Ethereum for the foreseeable future."

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- Immutable X is built on a [global, protocol-level orderbook](#), meaning any orders which are created anywhere on the Immutable X protocol are immediately visible on any IMX-integrated marketplace. Our goal is to build an ecosystem where hundreds of niche and native marketplaces can coexist with larger, aggregating marketplace. Immutable X has publicly announced integrations with OpenSea, GameStop, Rarible, TokenTrove - with many more on the way. This

will allow immediate liquidity for ApeCoin community holders.

- Immutable X offers a vertically integrated platform, not just a rollup; with a full offering of products (orderbook, minting tools, trading primitives, wallet, marketplace, etc) that is accessible via REST APIs and an SDK. No solidity experience is required.

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#### KEY TERMS:

- Immutable X Platform: APIs & SDK, allowing immediate access to minting/trading primitives.
- Commercial: 2% protocol fee on primary and secondary NFT sales\*. Does not apply to transferring \$APE tokens between wallets, including from L1 to L2 (Immutable X). For full transparency this 2% protocol fee breaks down as follows:
  - 0.4% - Staking rewards, it will soon be possible for \$IMX token holders to stake their tokens and and earn yield from this portion of the Protocol fee
  - 1.6% - Covers costs to run ImmutableX Platform
  - Carbon offset cost - All NFTs traded on Immutable X are completely carbon neutral, offsetting the carbon footprint with certified climate conscious partners, Trace and Cool Effect.
  - L1 gas - ImmutableX covers all the L1 gas costs needed to run the platform.
  - Integrated 3rd parties, Magic.Link, Moonpay, Starkware
  - Platform R&D and ongoing product development
  - Support teams, partner success, strategic guidance
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- \$IMX Token Grant: to be discussed with the Yuga team. Available for staking in Q3.
- Support for the \$APE token on par with that provided to \$IMX and our game specific tokens \$GOG and \$GODS. This includes NFT orders listed in \$APE, airdrops and staking once available on the platform in Q3.

## SPECIFICATIONS:

### Immutable X Support:

1. Technical / Product:
2. Dedicated solutions engineering team to thoroughly map integration with Immutable X end-points.
3. Integration engineering support to walk Yuga Labs / Otherside development team through the start-to-finish integration process.
4. Thorough QA testing sessions (live), dedicated war-room setups for each YugaVerse drop for real-time technical troubleshooting and community management.
5. Direct line with Immutable X's CTO, Head of Solutions Engineering, and CEO/President.
6. Opportunity for feedback/input on Immutable X's product and features roadmap.
7. Go-To-Market, Community and Marketing Support:
8. Dedicated GTM strategy purpose-built for each NFT launch for the ApeCoin community. Will consist of repeatable playbooks/cheat sheets for Utility, Community, Twitter Strategies, Discord Strategies, Whitelisting options/approaches and broader marketing and community playbooks.
9. ApeCoin community will have access to all games, marketplaces, projects, and valuable IP building on Immutable X for unique co-collaboration opportunities; spanning joint launches, interoperable metaverse points, AMAs, live events, etc. ApeCoin can take advantage of the full Immutable X ecosystem.
10. Web3 Gaming Advisory
11. Provide the ApeCoin community direct access to the Immutable Studio team (the creators behind Gods Unchained and Guild of Guardians) led by an executive team with experience at Riot, Activision, Electronic Arts, and more
12. Access to Immutable's playbooks and best practices for building Web3 games
13. Financials:
14. Access to \$IMX 500 million fund to incentivize ecosystem growth and development.

## STEPS TO IMPLEMENT

- Executive Alignment

: Immediate meeting between Yuga Labs and Robbie Ferguson (Co-Founder & President) and Alex Connolly (Co-Founder & CTO) ASAP.

- Integration Scoping:

Yuga Labs and Immutable Solution Engineers to map integration with Immutable X API endpoints.

- Integration

: Immutable X integration engineers to work closely with Yuga Labs development team; including detailed QA'ing.

- Proof of Value

: Immutable X mints the same number of Otherside NFTs at 0 cost

to Yuga Labs, and ApeCoin community users.

- Partnership

: Develop Joint Business plan for deepening the Immutable X & Yuga Labs relationship.

## TIMELINE

- Executive Alignment

: ASAP

- Integration Scoping:

1 week

- Integration

: 2-4 weeks

- Proof of Value

: 2-3 weeks (dependent on upcoming Otherside launches)

- Partnership

: Ongoing

## OVERALL COST

- Zero cost to integrate, mint/transfer assets
- 2% Primary/Secondary Sales fee
- For full transparency this 2% protocol fee breaks down as follows:
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## WHY IMMUTABLE X?

Immutable X knows what it takes to build planet-scale web3 games that are fun to play; from the underlying technical and liquidity infrastructure to bringing complex, multi-faceted game economies to a precious community for the first time. We've been bridging the gap between highly technical and complex blockchain technology and mass-audience adoption for years, and firmly believe that ApeCoin DAO and Immutable X are uniquely positioned to transform the way web3 games can be built around the most valuable, digitally-native IP in the world.

## IMMUTABLE X THOUGHT LEADERSHIP AND CUSTOMER EXAMPLES

- Partners:
- [GameStop taps Immutable X for NFT Marketplace](#)
- [EmberSword migrates to Immutable X from Polygon](#)
- [Why did Illuvium choose Immutable X?](#)
- [Rarible to Access Gasless and Carbon Neutral Gaming NFTs via Immutable X](#)
- [Gods Unchained: The Biggest Trading Card Blockchain Game](#)
- [Warner Bros. to Launch Hybrid Physical and Digital DC Comics-Themed NFT Trading Card](#)
- [Guild of Guardians: How to create a sustainable NFT game economy and why it matters](#)
- [TikTok and Immutable X Moments Launch](#)
- [OKX DeFi Portal MetaX Integrates Ethereum Layer 2 Immutable X](#)
- [GaryVee's Successful Book Games NFT Launch will Go Down in History as a Game-Changer](#)
- [PlanetQuest, Immutable X to launch world's first 3D Planet NFT](#)
- [NFTTrade Enhances Marketplace with Immutable X NFTs and Scaling Solution](#)
- [Kongregate Partners with Immutable X to Bring Fun to Blockchain](#)
- [Largest mobile-first digital collectibles platform, VeVe, Partners with Layer 2 Protocol Immutable X to Empower Carbon Neutral and Gasless NFT minting and Marketplace on Ethereum](#)
- [Disney and VeVe announce Mickey Mouse NFT collectibles](#)
- [Blocklords Chooses Leading Layer 2 Scaling Solution Immutable X to Power Its Medieval Metaverse on Ethereum](#)
- [ESL Gaming Partners with Immutable X to Launch a Next Generation NFT Collectible Platform for CS:GO Fans Worldwide](#)
- [Venly Now Supports Ethereum's Leading Layer 2 Immutable X Into its Tech Stack](#)
- [NFT Marketplace OpenSea plans to integrate Layer 2 protocol Immutable X](#)
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- Immutable X Thought Leadership:
  - [Immutable + StarkNet: Cross-Rollup NFT Liquidity](#)
  - [A Guide to NFT Platform Security](#)
  - [Immutable X Protocol Orderbook - Solving Order Fragmentation](#)
  - [Immutable Live Reveal: Scaling NFTs to a Billion Players with L2/L3 - YouTube](#)
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