

Project Name:

Clipper

Author Name:

Austin

Defillama TVL (at snapshot):

\$2.5M

Transactions/day (at snapshot):

253

Tier:

3

Optimism native:

No

Number of OP tokens to claim:

300,000

L2 Recipient Address:

0x1Dd174bF2e090d0F1b1360Ac8905780429B2642B

Proposal for token distribution (under 1000 words):

Background on Clipper

Clipper is a decentralized exchange for retail traders built by Shipyard Software and customized for Optimism. Since launching on Optimism at the beginning of February, Clipper has had more than \$30 million in volume

. Shipyard Software is an exchange group that develops specialized DEXes. Soon, Shipyard Software will be releasing a second DEX on Optimism for derivatives.

Goals

Clipper has the following goals in mind:

1. Bring more developers and builders into the Optimism ecosystem
2. Increase TVL (for Clipper Coves which allows for permissionless trading between any two assets)
3. Increase number of daily transactions
4. Increase number of Optimism project collaborations through community initiatives (e.g., [Clipper's Adventure Series](#))

How will the OP tokens be distributed?

1. Trader Mining 35%

Given Clipper's architecture (capped liquidity pools), Clipper believes the optimal use of OP tokens would be to incentivize trading. Clipper would be able to attract new users to trade on the DEX and increase volumes, which in turn would give Optimism CLPs extremely competitive yields.

To prevent sybiling/wash trading, Clipper plans on using a whitelisting process to validate user authenticity. Additional measures include:

- 3 Months Vesting (based on Gro Model)
- Discord Verification flow currently built on Clipper's Website
- Limited Liquidity Mining 20%

Clipper does not require significant amounts of liquidity to offer competitive prices to its target users. Instead, it caps contributions per person to ensure retail traders aren't diluted by whales. That being said, Clipper's current liquidity pool only supports short tail assets (ETH, WBTC, USDT, USDC, DAI). In a few weeks, Clipper will be launching Coves, which will

allow the trading of any asset. OP tokens will be used to incentivize the creation of new pools with these assets.

1. Builder Acquisition 15%

Clipper is composable and looks to incentivize builders to integrate and support Clipper's pioneering formula market maker architecture.

1. Clipper's Adventure Series 20%

Clipper's Adventure Series is a community initiative launched whenever Clipper launches a new product or on a new chain. Users participate in various steps to confirm identity (to minimize bots/ fake accounts) and complete educational and collaborative steps to encourage usage of projects on the Optimism ecosystem. Participants that complete all stages of the adventures get rewarded with OP tokens. Clipper's current adventure has 22,000 participants.

1. Retroactive Airdrop/Gas Reimbursement 10%

Airdrop OP tokens to users that have previously made transactions or deposited liquidity into Clipper's CLP on Optimism.

How will this distribution incentivize usage and liquidity on Optimism?

1. Additional Users

Trader mining will naturally encourage users to bridge to Optimism and make more trades on both Optimism and Clipper.

1. High Yields

Trader mining will increase volume, which will drive yields higher and attract more LPs. Reminder: liquidity pools and deposit amounts are capped, so new LP entrants won't dilute pool share.

1. Liquidity Migration

Clipper will soon offer trading for long-tail tokens and provide comparable prices to mainnet without massive liquidity migration. Optimism will further become a more viable alternative to trade more easily.

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

Clipper has the best prices for small trades even without incentives, so once we bring traders to Clipper for the first time, they will stay to benefit from the great prices.

Clipper already has some of the best yields in DeFi, but only on capped pools where deposits are limited per user. Users who come to deposit will stay because the organic yields are so high and they won't want to give up their spot.

There is a track record of this - When Clipper did the last Community Liquidity program, 1,700 NEW users bridged to Optimism, deposited and kept their liquidity locked for over a month. This made Clipper the #3

protocol by addresses (18% of all first-time OP users in the period).

As of May 6, the Clipper Optimism LP pool is yielding at a 20+% annualized rate over the past month, including all loss/impermanent loss and without any external incentives, spiffs, or mining. In comparison, yields on Compound on similar assets are under 2%.

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](<https://global.discourse-cdn.com/business7/uploads/bc41dd/original/1X/5838b26bc51cca655aba88f20c218d9b128c17d4.png>)

Over what period of time will the tokens be distributed?

Clipper will target distribution over 9 months. The exact rate at which tokens are distributed will be left to AdmiralDAO council with input from the Optimism community.

How much will your project match in co-incentives?

Clipper doesn't currently have a token and as a US company can't make forward-looking statements about what Clipper would do with any hypothetical tokens.

Note

This proposal is subject to approval by AdmiralDAO. Specific allocations within each category are yet to be finalized, and may be adjusted once OP price is determined.