Project name

: Resonate

Author name and contact info

(please provide a reliable point of contact for the project): Rob Montgomery Rob

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

I understand that I will be expected to following the public grant reporting requirements outlined here

: Yes

L2 recipient address

: resurgens.eth

Which Voting Cycle are you applying for?

: Cycle 10

Which sub-committee should review your proposal? (Builders Grants, Growth Experiment Grants)

: Builders Grants

Project description

(please explain how your project works): Resonate powers the sale of futures for on-chain yield rates. Through connecting institutional funds with protocol treasuries, institutional investors may access increased capital efficiency, effective impermanent loss hedging, and lock-in fixed-rates on volatile yield farms.

Website

: https://www.resonate.finance/

Twitter

: https://twitter.com/RevestFinance

Discord/Discourse/Community:

Revest Finance

Other relevant links

(including any demos):

WebApp: app.resonate.finance

Docs: https://docs.resonate.finance

Github: Revest Protocol · GitHub

Additional team member info

(please link): Resonate

Please link to any previous projects the team has meaningfully contributed to

: Revest Finance initially launched Revest (https://revest.finance/) towards the end of Q3 of 2021. Resonate is to Revest what a video game is to a video-game engine. The Revest Protocol is a modular and composable system designed to make creating FNFTs as simple as configuring a JSON file and making minor modifications to your contracts – no frontend development needed. Revest on its own can handle simple vesting FNFTs, but requires more nuanced systems to be a consumer-facing product. That's where Resonate comes in – Resonate is a consumer-facing product designed to bring Revest Protocol to the masses; passing a portion of its revenue back down-the-chain to Revest.

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): Revest has had up to 100MM TVL previously locked in it (DeFi Llama). Over 3000 FNFTs have been

minted, with over 1700 unique holders. Resonate on optimism currently has Velodrome's Velo Grand Prix pool funded by Velodrome with ~$22.5k in VELO tokens; offering 10% upfront to those who lock VELO-USDC LPs for 60 days. If the current tranche is exhausted, that will lead to a TVL of ~$225k, and also further deployments from Velodrome. Funding will help this scale aggressively to more protocols and target more prospective Issuers.

Competitors, peers, or similar projects

(please link): Our closest competitors are Element Finance (https://www.element.fi), Pendle Finance (https://www.pendle.finance 1), Swivel (https://swivel.finance 1). While Resonate isn't the first to offer separation of principal and interest, we do so in a way that is both unique and that lends itself extremely well to a niche-focused business model. While others have previously attempted implementations of technology similar to Resonate, they have failed to design it in a way that makes the niche of treasury management accessible. This is because they utilized ERC-20 based systems, which have fixed-maturities, rather than ERC-1155 based systems, which have fixed-terms. The values of assets held in fixed-maturity products fluctuate on a daily basis as a function of time; if a DAO wanted to utilize these systems for treasury management, the math involved would be overly complicated by this temporal variable and would render the sort of system that Resonate allows impossible. This problem is sidestepped by starting the lockup period at the point of activation (something not possible without NFTs) through Resonate's system that locks capital upon Purchasers and Issuers being matched. By targeting an underserved niche within the market, Resonate approaches the technology of separating principal and interest as a tool to serve a market, rather than as a technology to create without a target demographic.

Is/will this project be open sourced?:

Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 10/5/2022

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?:

Treasury management is one of the most underserved niches in crypto. Resonate creates the opportunity for token holders to sell the rights to their future returns for immediate returns. Utilizing a CD-like arrangement and Financial NFTs (FNFTs), Resonate boosts returns for those purchasing these interest-bearing FNFT rights, offering significant multipliers on the earning-potential of their tokens. As DAO treasuries do not experience opportunity cost in the same way that retail traders do they are ideal users for Resonate in the purchaser role. Through working with them and their communities, Resonate is able to assist DAOs in growing and managing their reserves.

Resonate, effectively, also offers Impermanent Loss Protection for Issuers who lock LPs. Issuers are protected, with respect to Impermanent Loss, by the amount they are given upfront. A 10% upfront payout will offer IL protection of 10% (or 60.72% decrease/154.5% increase in the price of one token relative to the other) on the initial lock, with greater coverage for subsequent locks on the same token.

How does your proposal offer a value proposition solving the above problem?

: Resonate allows for locking mercenary liquidity within the Optimism ecosystem; liquidity that might otherwise bridge to another chain on a whim will instead be locked for a period of time (typically, around one year) in return for receiving upfront payment on expected yield. Particularly for stablecoins, this will allow Optimism to accrue large amounts of sticky liquidity within its ecosystem, enhancing the user experience for anyone participating within Optimism. Resonate can work with any project that has a yield source and has already partnered ahead of launch with several well-known Optimism projects.

Why will this solution be a source of growth for the Optimism ecosystem?

: As we continue to grow and add new vaults we will continue to drive retail and institutions to the Optimism ecosystem. A prime example of this is Digital Opportunities already adding over $300k in liquidity to Velodrome's vaults adding to the Optimism ecosystem.

Has your project previously applied for an OP grant?

: Posted for feedback initially, but didn't go to the voting stage. Resubmitting now after launching Resonate

Number of OP tokens requested

: 75000

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?

: N/A

How much will your project match in co-incentives?

(not required but recommended, when applicable): Resonate doesn't currently have a token, but we will likely include a form of liquidity mining through our service at the point we launch one. Optimism would be considered an ideal candidate for this service.

How will the OP tokens be distributed?

(please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.): We will primarily focus on utilizing OP incentives to scale our team from a core of full-time players with many outlying part-time players to an exclusively full-time team. Being able to better scale our team will allow us to bring on more sales staff, scaling our ability to connect with and provide treasury-management solutions for the many projects building on Optimism. Now that Resonate has launched and we are live on Optimism our plan is to aggressively continue to grow and expand to other protocols on Optimism. Every project onboarded to Resonate gives Optimism more sticky liquidity, in a benevolent cycle that encourages projects to continue using Resonate, and users to continue using those projects. This cycle means that much of Optimism's liquidity could become locked, giving the chain a true long-term TVL pool that locks users and liquidity into it.

Over what period of time will the tokens be distributed for each initiative?

Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals: We are asking for installments of OP tokens based on key milestones for Optimism TVL on Resonate. Here is a summary of that distribution structure

We ask for the first 75,000 OP to be dispersed upon approval of this proposal to help hire on a full time dev to allow us to expand to supporting more protocols on the Optimism network at a faster pace.

Once $1MM Optimism TVL is reached on Resonate then an additional 50,000 OP dispersal would take place.

Once $10MM Optimism TVL is reached on Resonate then an additional 100,000 OP dispersal would take place

Once $25MM Optimism TVL is reached on Resonate then an additional 100,000 OP dispersal would take place

We believe that this schedule will allow us to demonstrate the growth and success of our system to the wider Optimism community and align incentives for us and Optimism.

Please clearly define the milestones you expect to achieve in order to receive milestone based installments. Please consider how each milestone relates to incentivizing sustainable usage and liquidity on Optimism. Progress towards each milestone must be trackable:

$1MM Optimism TVL, $10MM Optimism TVL, and $25MM Optimism TVL

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

: Because of the benefits that Resonate offers

Please provide any additional information that will facilitate accountability

(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.): https://dev.resonate.finance/deployed-contracts/optimism

Confirm you have read and agree to the Eligibility Restrictions

(here): I have read the Eligibility Restrictions and agree to abide by their conditions