

Introducing Matterhorn LLC as an Arranger Candidate for the MakerDAO Ecosystem

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This white paper is presented to the MakerDAO community to make a case for Matterhorn LLC as an ideal arranger candidate for the MakerDAO ecosystem. Through our deep expertise in financial technology and asset evaluation, we believe Matterhorn LLC can play a significant role in bridging real-world assets to the MakerDAO ecosystem. This document also outlines the collateral ranking methodology that Matterhorn LLC proposes to employ and discusses why this methodology is vital for the long-term success and security of the ecosystem.

1. Overview of Matterhorn LLC

Matterhorn LLC, a Swiss subsidiary of Oasis Pro Inc, is a fintech organization specializing in the assessment and integration of real-world assets into decentralized finance platforms. Our team comprises experts in legal security, investment quality assessment, and token standard evaluation. Through our extensive experience, we bring industry-best practices to assess the suitability of collateral candidates for the MakerDAO ecosystem.

We are writing this proposal to present an opportunity to pioneer the next generation of decentralized finance (DeFi) through the integration of Real World Assets (RWAs) into the MakerDAO ecosystem. We propose the launch of a “Token Collateral Incubation” (TCI) Program, which aims to construct a robust pipeline for assets to be added to the MakerDAO community as collateral.

The Challenge

The MakerDAO ecosystem primarily depends on digital assets as collateral. While these assets have shown tremendous growth, they are also inherently volatile. This concentration on digital assets exposes the MakerDAO ecosystem to systemic risks in the cryptocurrency market.

The Opportunity

Incorporating RWAs can not only diversify the risk but also create new avenues for capital and liquidity. By venturing into the realm of RWAs, MakerDAO can tap into an asset base that has been historically stable and trusted, thus encouraging mainstream adoption of DeFi services.

Proposal Details

Initial Fund

We propose an initial sum of \$50 million to be allocated for the Token Collateral Incubation Program. These funds will be fully deployed into RWA investment projects.

Leveraging Oasis Pro Resources for Due Diligence

Matterhorn LLC acknowledges the criticality of due diligence in the process of integrating Real World Assets (RWAs) as collateral. To ensure a comprehensive and meticulous analysis, Matterhorn will effectively utilize the resources and expertise available within the wider Oasis Pro platform.

Market Research and Asset Analysis

Oasis Pro has an established market research and analytics team with a proven track record in traditional financial markets. Matterhorn will engage this team to analyze various asset classes and markets. The team’s deep insights into market trends, regulatory landscapes, and asset valuations will be invaluable for shortlisting assets that have high potential and align with the MakerDAO community’s objectives.

Regulatory Compliance and Legal Expertise

Navigating the complex web of regulations is paramount to the success of integrating RWAs into a decentralized ecosystem. Oasis Pro's legal and compliance team, which has extensive experience in dealing with both traditional and crypto-assets, will be an invaluable resource. Matterhorn will work closely with the legal team to ensure that the tokenization of RWAs complies with regulatory standards. They will also structure the tokens in a way that adheres to the legal frameworks of various jurisdictions, thereby safeguarding both Matterhorn and the MakerDAO community from potential legal pitfalls.

Technical Infrastructure and Security

To ensure the seamless tokenization and integration of RWAs into the MakerDAO ecosystem, robust technical infrastructure is vital. Oasis Pro's technology team, with its experience in blockchain solutions and security, will collaborate with Matterhorn. This partnership will encompass the development of platforms for asset tokenization, smart contracts for asset management, and rigorous security protocols to ensure the integrity and safety of the assets and associated data.

Financial Modeling and Risk Management

Financial modeling and risk analysis are core to understanding the potential of any asset. Oasis Pro's corporate finance division, which comprises experts in financial modeling, risk management, and asset valuation, will play an essential role. They will develop tailored financial models for each asset class and assist Matterhorn in establishing collateralization ratios and risk parameters that are prudent and in line with MakerDAO's risk appetite.

In summary, Matterhorn will strategically leverage the wealth of resources, expertise, and infrastructural capabilities of Oasis Pro to ensure that the due diligence process for potential collateral types is rigorous, compliant, and positioned for success. This collaboration is poised to create a holistic approach, bridging the gap between traditional finance and decentralized ecosystems.

Personnel Highlights

Chris Smith, an Oasis advisor

, is a Software Engineer and Systems Advisor for Left Hand Cypher LLC. Prior to working at Left Hand Cypher, Chris was the Tech Lead & Senior Software Engineer for Handshake, Senior Software Engineer for MakerDAO, and Blockchain and Backend Lead for ConsenSys. Chris graduated from the University of Denver with a BA/MA in International Studies & Russian Language & Literature.

Wes Jamieson, Vice President of Business Development & Strategy

joined Oasis Pro from RSM, where he was the National Lead Blockchain Technical Resource and a founding member of RSM's National Crypto and Blockchain Team. In his role at RSM, Wes was responsible for developing and managing relationships with external digital asset partners. Wes has over five years of experience in the field of blockchain technology and was with RSM from November 2017 to September 2021. Prior to RSM, Wes was a research intern at Gabelli & Company from May 2016 to August 2016 and a research associate from June 2015 to July 2015.

Thomas Rubio, Web3 Product Strategy,

boasts significant experience in the realm of institutional custody and liquidity for digital asset operations. Currently serving as a product strategist at Oasis Pro Markets, he was recruited from Bakkt, where he was instrumental in the development, testing, and support of their proprietary systems. Thomas was an integral part of Bakkt's blockchain security and engineering teams, contributing his expertise to bolster the company's operations.

Before his tenure at Bakkt, Thomas was part of the U.S. Wealth Advisory team at BlackRock, one of the world's largest asset managers, advising the firm's Financial Advisor and RIA clients on a wide range of investment products and portfolio construction services. His experience in supporting proprietary systems and navigating the complexities of wealth advisory and digital asset custody services make him an asset to the company as it continues to navigate the rapidly evolving world of blockchain technology and digital asset markets.

Multi-Pronged Approach

1. Asset Identification and Selection:

Matterhorn will perform an extensive market analysis to identify potential RWAs, such as real estate, commodities, and intellectual property. The assets will be evaluated based on their stability, liquidity, regulatory compliance, and alignment with MakerDAO's values.

1. Due Diligence & Legal Compliance:

Comprehensive due diligence will be conducted for each asset. This includes assessing risks, vetting asset issuers, and ensuring compliance with the legal framework. Creating a legal structure will be crucial for bridging the gap between blockchain-based assets and traditional finance.

1. Tokenization of Assets:

The selected assets will be tokenized, converting them into digital tokens. These tokens represent ownership in the real-world asset and can be used as collateral in the MakerDAO ecosystem.

1. Risk Management & Valuation Models:

Matterhorn will develop a robust risk management framework and valuation models for RWAs. These models will be tailored to the unique characteristics of each asset class and will be essential for determining the collateralization ratios.

1. Community Engagement & Governance:

Matterhorn will foster an ongoing dialogue with the MakerDAO community to ensure transparency and community participation in decision-making processes.

1. Education and Awareness:

It's vital to educate both the MakerDAO community and the broader market about the benefits and procedures of using RWAs as collateral. This will include webinars, workshops, and educational content.

1. Monitoring & Reporting:

Continuous monitoring and reporting mechanisms will be implemented to ensure the smooth functioning of the integrated assets. This will include tracking the performance of the assets and adherence to compliance standards.

Benefits to MakerDAO Community

- Diversification of Risk:

The incorporation of RWAs will mitigate the systemic risks associated with cryptocurrency market volatility.

- New Revenue Streams:

By tapping into a larger asset base, MakerDAO can access new avenues for generating revenue.

- Mainstream Adoption:

As RWAs are familiar to traditional finance, their inclusion could facilitate broader adoption of DeFi services.

- Greater Stability:

The stability associated with many RWAs can contribute to reducing the overall volatility within the MakerDAO ecosystem.

1. Case for Matterhorn LLC as an Arranger

Matterhorn LLC offers the following competencies making it an ideal Arranger:

- Expertise in Collateral Assessment: Our team's proficiency in evaluating collateral based on deal integrity, legal security, and investment quality ensures that only the most robust assets are considered.
- Token Standard Evaluation: Matterhorn LLC assesses token standards ensuring that they are compatible with the MakerDAO ecosystem, which is critical for seamless integration.
- Risk Mitigation: Through thorough evaluation and rigorous due diligence, Matterhorn LLC helps in minimizing risks associated with onboarding new collateral.
- Market Knowledge: Our extensive knowledge in financial markets helps in identifying potential assets that can bring diversity and value to the MakerDAO ecosystem.
- Collateral Ranking Methodology

Matterhorn LLC would employ a structured Collateral Ranking Methodology that objectively evaluates collateral candidates. The methodology could assign numerical values to ratings (A, B, C, F) across various categories. The below exemplifies how the community might decide to assess the suitability of collateral that is admitted to the ecosystem.

Rating

Deal Integrity

Legal Security

Investment Quality

Token Standard Suitability

A

4

4

4

4

B

3

3

3

3

C

2

2

2

2

F

1

1

1

1

Collateral candidates are rated based on the following categories:

- Deal Integrity: Evaluates the transparency, returns, and adherence to best practices of the deal.
- Legal Security: Examines compliance with laws, documentation, and rights of collateral holders.
- Investment Quality: Assesses the potential for capital appreciation, diversification, and market presence.
- Token Standard Suitability: Checks compatibility with the MakerDAO ecosystem, security measures, and integration features.

4.1. Importance of Ranking Methodology

The Collateral Ranking Methodology is important for several reasons:

- Objective Evaluation: It provides an unbiased and standardized assessment of each collateral candidate.
- Risk Management: By assessing the quality and security of each asset, it helps in managing and mitigating risks associated with collateral.
- Transparency and Confidence: The methodology ensures transparency and builds confidence within the MakerDAO community.
- Efficient Allocation: It aids in efficient allocation of resources and capital within the MakerDAO ecosystem.
- Conclusion

Matterhorn LLC, with its specialized expertise and rigorous collateral ranking methodology, stands as an ideal candidate for an Arranger role in the MakerDAO ecosystem. Through our services, we aim to ensure the onboarding of high-quality real-world assets, fostering growth, diversity, and security within the ecosystem. We invite feedback and discussion from the MakerDAO community on what an appropriate collateral ranking system would be.