Token Staking  
& Equity proposal

RichKidVoodooNFT

# Overview

Once we have sold out, we will have access to a large amount of funds through which multiple streams of income can be created. The goal is to add value to the project for holders and for ourselves simultaneously. The methods through which this is done must be ethical, efficient and sustainable. The ideas discussed within this document outline a few ways in which we can grow after the project sells out and provide a base upon which future ideas can build out on and branch off. A few successful projects will be discussed, outlining their token credentials and applications as well as practical applications for Rich Kid Voodoo.

## The Objective

* Need #1: Increase popularity and demand for NFTs
* Need #2: Increase utility for holders
* Need #3: Create multiple income streams to increase equity of project and to create funding for future projects

## The Opportunity

* Goal #1: Future NFT project launch & community funding
* Goal #2: Create token staking & liquidity pool
* Goal #3: Open conference center & periodic contributions from funded projects

## The Solution

* Recommendation #1: Exclusive access to future projects and events for holders (built on $TOTEM)
* Recommendation #2: token exchanged for fiat currency and payment for other goods and services in DApp
* Recommendation #3: Charge rent, host functions and events in center and commission from secondary sales, as well as equity from the 20 projects we fund

# EXECUTION

## Increasing Demand

In economics, demand is defined as the willingness of a consumer to purchase your product at a specific price. Generally, the law of demand states that the quantity demanded of a product decreases as the price of that product increases. Ultimately, the ideal scenario for the project is to achieve price inelasticity, whereby a change in the price of the NFT has little to no effect on the demand of the product.

Since the product is not a necessity, such as insulin for diabetics, it needs to be developed and marketed to such extent that the benefits of owning the NFT outweighs the cost of acquiring it, at any price point.

To achieve this, one must compare the project against some of the most successful projects to date, such as Bored Ape Yacht Club (BAYC), Cyber Kongz (CK), Neo Tokyo Citizens (NT) and TreasureDAO (TDAO) etc.

The proposal is this: RichKidVoodoo (RKV) should be the genesis collection, from which future RKV enterprises can branch off through an ecosystem of NFTs all run off our utility token ($TOTEM or whichever name is decided upon), which will be discussed in the second point of this proposal.

What is meant by this, is that our NFT holders will receive exclusive access to these projects, favorable whitelist spots and early access to future collections which they will be able to stake for $TOTEM, depending on the total supply we release.

These NFTs should all be closely related to the themes portrayed by RKV (magic, voodoo, witchcraft, supernatural), thus creating the means for any possible RKV metaverse or pvp/p2e game in which these holders may use their NFTs as characters in the game/metaverse. Let us assume it is called “VoodooVerse” for now.

The second part of creating this demand is related to the first draft of our roadmap – that is community funding and earning dividends or profit shares of those ventures, which should all be put back into our various liquidity pools/ community wallets. This will increase demand for the project in two ways; firstly, by the $50 000 (fifty thousand US dollars) funding scheme for 20 viable projects and, secondly, by increasing the projects liquidity from the profits of those ventures, which can be used to increase the token price or can be paid into the community wallet or transferred directly to our holders.

## Increasing Utility

Utility in the sense of NFTs can be defined as anything that adds value, profit or use to holders of the NFT. The type of value your NFT adds to its holders greatly determines the reaction the public has towards your NFT. The importance of the utility of the project is what ultimately brings forth the demand and therefore the willingness for people to mint and to purchase on secondary markets.

The big question is then: what is the best type of utility to bring into our project? The answer is that it truly depends on the project, and the direction the project wishes to go into. From this, one can determine the best course of action. In the case of RKV, the biggest utility we wish to bring to the table of investors is the community and the DApp. Here at RichKidVoodoo, we want to create an exclusive community of entrepreneurs, hard workers, companies, cryptocurrency enthusiasts and ultimately business minded individuals or organisations, which can access and make use of the community through holding our NFTs. Users can connect, collab and create with one another for personal and commercial betterment, at discounted rates in one trustworthy, efficient and easy place.

At the surface, this sounds amazing in and of itself, however we can make it even more desirable through conventional methods – that is through token staking, liquidity pools, passive income, apparel and gaming. This is where we will draw attention to the project, as we are not at influencer status and thus will not gain enough traction through promoting the community, such as projects like VeeFriends, where people are interested in the community alone due to them having private access to Gary Vaynerchuk, who is seen as a crypto and motivational guru to his massive audience – something that RKV does not yet possess. However, that isn’t to say that our main focus should be shifted away from the main goal of the project (the RKV DApp and networking community), as the value of the community will truly only be seen after mint.

### Utility Tokens

The token we create will be at the center of the entire VoodooVerse. It will be the native currency and main connection between our genesis project and future projects. This is how we will create and bridge the entire RichKidVoodoo ecosystem.

There are two types of utility tokens we could create, each with their own specific benefits and disadvantages. One has monetary value which can be traded and exchanged for fiat currency and one which is purely related to products and services provided within the boundaries of the project itself. What will be discussed is the former, as it has the benefits if non-monetary token as well as the added benefit of exchanging it for fiat currency.

These types of utility tokens (and cryptocurrency in general) derive their price through simple economics – supply & demand. To demonstrate this principle three projects will be discussed, namely, TreasureDAO, Neo Tokyo and Cyber Kongz.

#### TreasureDAO

The Treasure Metaverse consists of multiple projects such as Bridgeworld (their genesis project), Smols, Battlefly and many more p2e games. Their approach is to connect NFTs, DeFi and gaming into one space, all of which is run on their native currency - $MAGIC.

As of 28 February 2022, $MAGIC has the following attributes:

* Market Capitilisation: $99,925,193.00
* Circulating Supply: 28,510,571 tokens
* Total Supply: 320,000,000 tokens
* Price: $3.50

The price is attained by dividing the market cap value by the circulating supply value, which is $99,925,193.00 divided by 28,510,571 which yields the current value of $3.50

It is important to note that their circulating supply (28.5million) does not equal their total supply (320million), which means they still have 291,489,429 tokens which must still be released into circulation. This has many implications which can be adapted to RKV. First, this means that we will be able to stagger the rate at which we release certain amounts of tokens for each project, without the increase in supply dropping the price. Second, it means that we may release any number of projects that suit our ecosystems needs and requirements, while adding the option for those new NFT holders to stake for our token, without any fear that the increase in supply may. Decrease the price of the token (if we continue to add the necessary funds into the liquidity pool in each case). Thirdly, it means that we do not have to limit ourselves to a lower number of tokens in the beginning as we would be able to release them as necessary.

Another important factor which makes Treasure such a desirable project is that all transactions occur over the Arbitrum Layer 2 network, which yields lower fees and faster transactions – something to consider for our own projects’ development.

#### Neo Tokyo

Neo Tokyo citizens was a rather secretive project created by Alex Becker and others. Minting a citizen gained one exclusive access to future releases from the group and an opportunity to stake for their native currency - $BYTES.

Neo Tokyo is another play to earn game with many tournaments which have massive prize pools – a feat which adds much value to the project.

At the time of the drop, $BYTES were worth between 80-100 dollars per token which yielded NFT holders R1 million in passive income, simply from staking their Citizen.

As of 28 February 2022, $BYTES has the following attributes:

* Market Capitilisation: $10,456,436.67
* Circulating Supply: 825,208.00 tokens
* Total Supply: 825,208.00 tokens
* Price: $12.66

Today $BYTES can be used to purchase citizens and other attributes of the NeoTokyo metaverse as well as certain in-game purchases.

#### Cyber Kongz

Cyber Kongz released 1000 genesis Kongz in March 2021. They then released their native token - $BANANA. Each genesis Kong, if staked, will be able to generate 10 $BANANA per day for the next 10 years.

As of 28 February 2022, $BANANA has the following attributes:

* Market Capitilisation: $9,200,040.00
* Circulating Supply: 740,000.00 tokens
* Total Supply: 743,000.00 tokens
* Price: $12.34

$BANANA can be exchanged for fiat currency as well as to purchase NFTs from their VX collection. Further uses for $BANANA are interesting. Holders can use the token to breed a baby Kong and VX Kong (over 1ETH floor price) for 600 $BANANA provided they hold two genesis Kongz. Holders can change the biography, names and attributes of their NFTs all through spending their tokens. This in turn recirculates tokens as well as burns them. This can be seen by the total vs circulating supplies as shown above. It is also important to note that 1000 Kongz staking 10 tokens per day for the next 10 years is in fact equal to 36,500,000 tokens, not 743,000 – we can therefore deduce that tokens have been burned.

### Practical Applications

The next question then becomes: How does this apply to Rich Kid Voodoo?

Since we are planning to release a DApp, Conference Centre, Future projects, clothing lines, gaming and possibly an entire VoodooVerse ecosystem, the possibilities and opportunities for creating a voodoo token are vast. A few ideas are listed below:

* Pay for goods and services in DApp
* Payment for poker nights
* In-game currency
* Buy apparel from clothing line
* Buy certain packages (if RKV adds a breeding program for a season 2 NFT)
* Buy other NFTs in the VoodooVerse
* Use to customize holders’ NFTs
* Exchange for Fiat Currency
* Rent a space in the Conference Centre
* Pay for tickets to events in Conference Centre

Now that some use cases have been displayed, we then need to ask ourselves how we plan on optimizing the value of the token. Along with basic supply and demand, there are internal forces which can be taken advantage of to increase the value of the token without a widespread burn or other similarly extreme methods. These ideas work in conjunction with the control of the liquidity pool. At all times the liquidity pool must be locked in one direction – money should and will never be able to be removed from the liquidity pool, it can only go into the liquidity pool. A few ideas are listed below, all of which entail pumping funds into the pool without changing the quantity supplied in circulation:

* A percentage of secondary NFT sales can go back into the liquidity pool
* A percentage of therent from the Conference Centre can be funneled back into the liquidity pool
* A certain percentage of funds acquired through future NFT sales can be funneled back into the liquidity pool
* Some funds from capital gains from funded projects may also be funneled back into the liquidity pool

We can then alter the price by decreasing the quantity in circulation, through burning tokens. An example of this would be a holder using tokens to mint/breed an NFT, the tokens then don’t go back into circulation, decreasing the supply and increasing the price.

### Implementation

The first step is to decide on an initial starting value for a liquidity pool, this along with its circulating and total supply is how the token will acquire its initial monetary value we then need to decide how many projects we want to release in the future and decide on a total supply based of those projections. The next steps to take should and can only be done by an expert developer and are as follows; firstly, to create the liquidity pool as well as acquire a blockchain node for it to be transferrable and, secondly, to create a token smart contract which should include and align with the goals of the project and future projects.

## Increasing Equity

The final part of this proposal will discuss ways in which we can create multiple streams of income from RKV in order to provide funding for future projects and sustainable income for owners.

# Conclusion