

CRAZY RICH YELLOW

Democratic leader election platform

Whitepaper 1.0 (Sep. 27, 2022)

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1. Introduction of Crazy Rich Yellows (CRY)

Crazy Rich Yellows (CRY) is a collection of 5,600 unique NFTs. NFT holders are given voting rights. They can participate either as a voter or candidate during the presidential election. The elected president is to represent the interest of CRY holders and develop the community. Why don't you join and be part of CRY community?

1.1 Background

NFT market has grown with the help of meaningful trials of numerous NFT projects. The initial concept of NFT is known as 'Colored Coin' launched in 2012, providing clearer concept of property rights of real estate and gold on the blockchain. Some of NFT projects are leading successful communities. In 2017, 'CryptoPunks,' a collection of 10,000 unique pixel artworks was introduced and in 2021 'BAYC,' well-known for its iconic ape illustrations, was introduced in the market. They are known to have the largest fanbases and still considered as 'blue chip' projects.

However, not all NFT projects can be considered as success. Most of NFT projects fail to satisfy holders' expectations formed in the early phase, due to lack of mid/long-term business plans and inappropriate project management. As a result of such practical failures, many NFT holders eventually fail to find 'fun factors' and even should face financial losses.

CRY project started with an idea of overcoming existing causes of failure in NFT scene. CRY team **defines four major factors leading to failure of a NFT project** as below.

- 1) Raising funds without any specific business plan via primary sales (mainly in the form of cryptocurrency)
- 2) Centralization of project team leading to opaque use of fund
- 3) Centralization of project team failing to act in best interests of the community
- 4) Issuing tokens without concrete structure of tokenomics

1.2 Features of CRY

CRY aims to build a cool community by overcoming the four major failure factors mentioned above.

- 1) **Initial Pricing:** Basically, NFT is a digital means to record data. Except for some NFTs that are perceived as artworks, it is no exaggeration to say that expensive initial pricing of an NFT cannot be justified. Therefore, CRY team will initially distribute or “mint” NFTs for free. Afterwards, once we reach certain business milestones and the community proves itself to be growing, appropriate pricing of NFT will follow.
- 2) **Use of Funds:** As many NFT projects do not disclose use of funds, the NFT holders express complaints and this even leads to accusation of embezzlement. CRY team expects CRY community to operate with transparency on behalf of CRY holders, if under supervision of CRY DAO community. The president will get 50% of creator fee as funds to operate the community.
- 3) **Community's Best Interests:** While existing NFT projects overlook voices of the community, CRY holders will be able to express their opinions by exercising the right to vote on presidential election. Voters will choose which candidate to vote for based on the pledges and how realistic they might be.
- 4) **Tokenomics:** Incentivizing ecosystem/community participants with tokens accords with the philosophy of WEB 3.0. However, many NFT/Cryptocurrency projects issued tokens without ample analysis on tokenomics; where the tokens will be used or burned, and how the whole flow of tokens will fit into the business model. CRY team will work on very clear flow of tokens, not to be one of many poorly designed tokenomics.

1.3 Expected Outcomes

CRY team believes that real WEB 3.0 system will work when **ALL THREE PARTIES of CRY** community serve their respective roles – (1) CRY holders exercise their voting rights and checks if there are any possible signs of embezzlement or negligence; (2) Elected president acts for the best interests of CRY community; and (3) CRY team, as an election commission, monitors the electoral system.

Half of the “Creator Fees” derived from transactions of CRY NFTs in the future will be given to the president as “presidential budget”. The president will use the budget primarily to develop the community by reflecting the community’s interests and the remainder will belong to the president him/herself as rewards for efforts to run the community.

CRY team hopes the presidential election system can be a meaningful attempt by bringing DAO into reality.

2. Presidential Election

2.1 Presidential Election via Democracy

Crazy Rich Yellows (CRY) holders are given the rights to vote for president in every THREE months.

The elected president will then appoint a vice president. The president and the vice president as a cabinet decide on how to run the community. The representatives can communicate with CRY team to cooperate and work together on how to make the community better, if necessary.

The representatives will be given the right to run official CRY Discord channel and presidential budget will be paid each month. Specific details will follow.

2.2 Incentivizing Representatives with Presidential Budget

Elected president will be given 50% of the creator fee (equivalent to 2.5% of CRY NFT trading volume on the NFT platform 'OpenSea') of the preceding month as budget to run the community each month. The first payment will be made on the Day of Inauguration, and the subsequent payment will be on the same date of the next two months.

For instance, let us assume that you got elected and the presidency starts from January 3rd. You will be given half the volume of CRY NFTs traded from December 4th to January 2nd as the first presidential budget on the very day of inauguration. Assuming that daily trading volume of total CRY NFTs in December is 150ETH, the expected amount of monthly presidential budget is 116.30ETH ($=150\text{ETH} * 31 \text{ days} * 2.5\%$). We will leave it here so that you can calculate under your own fiat currency 😊.

The election gives the president delegative right to use the presidential budget under his own will. They can host a pizza party, open a NFT conference, or share significant portion with the vice president who would have helped them getting the power. But, the elected president should always keep in mind that significant misuse of funds can lead to impeachment.

2.3 NFT Lock-up and Impeachment

The representatives should run the community with responsibilities. One way to legitimize their best-efforts is to lock-up their NFTs for the duration of their presidency; three months since inauguration. The representatives should be mindful that externalities such as resignation or impeachment does not affect three-month lock-up period.

CRY holders (Unique holders only) can exercise impeachment rights when the president is acting against the community's interest, or when there is a significant sign of inability to serve the duties. When impeachment right is exercised, all the presidential authorities and payment of national budget is deferred until announcement of impeachment vote result. $\frac{2}{3}$ of voters who voted (*not the entire voting rights holders*) should agree to pass the impeachment bill. Once impeachment bill is passed, the presidential budget is not paid.

In case impeachment bill is passed, the representatives lose the presidential power immediately. The subsequent presidential election is to be held in 14 days. Deferred presidential budget is handed over to the subsequent president.

More details will follow on next chapters.

3. Election Regulations

Article 1 (Objective) The objective of this regulation is to stipulate the rules regarding the presidential election of Crazy Rich Yellows (CRY).

Article 2 (Role of the CRY Team) CRY team will take the role of the election commission to monitor and facilitate the election process. However, the election commission will not intervene in the conflict between holders and the election itself.

Article 3 (Candidate Registration Period) The registration period for the candidates ends at 12:00 a.m., EST, 21 days before the election day. Any candidates can resign before the election, however after the election starts, candidates are unable to resign.

Article 4 (Election Process) The presidential election will be carried out as an open ballot and the candidate with the most votes is elected as the president. If there are multiple candidates with the same number of top votes, a re-election will be held to place the winning candidate. If there are

no candidates or a single candidate, the following process will be carried out.

-Case of no candidates: Leave the president position vacant, and conduct a re-election after 14 days (The Creator's Fee accumulated during the vacancy period will be handed to the next president)

-Case of a single candidate: Automatically becomes the president

Article 5 (Number of Voting Rights) Common NFT holders can exercise 1 vote per NFT. For rare NFT holders 4 votes, Unique NFT holders 9 votes. Specifics on the types of rarity and number of NFTs issued per type is explained in Chapter 5.

Article 6 (Impeachment Rights) Impeachment rights are given exclusively to Unique NFT holders. They have the right to hold an impeachment poll. If 2/3 of voters that participated in the poll vote for the impeachment, both the president and the vice president are impeached immediately. The Unique NFT holder who exercised the impeachment right must publicly disclose the reason for impeachment to the community (at least 200 words on Discord). If the impeachment is rejected, the Unique NFT holder who exercised the impeachment right cannot exercise their right during the term of the current president.

Article 7 (Other Issues) Regarding issues that are not mentioned above, the election committee will conduct an internal review and update the election regulations.

4. Manual for Elected Presidents

Article 1 (Objective) The objective of this manual is to stipulate the duties of the elected president in the project Crazy Rich Yellows (CRY).

Article 2 (Responsibilities of the President) The elected president will act as the representative of the CRY community during their term in office. The president will receive monthly presidential budget as stated in the Whitepaper. The usage of presidential budget has no bounds, but it is mandatory to publish the details of usage to CRY holders.

Presidential Budget: 50% of Creator fees that the CRY team receives from the OpenSea

platform

Article 3 (Rights of the President) The president will manage the Discord channel as the representative of all CRY holders. They will mainly communicate with CRY team regarding the rules of the community and the strategic direction of the project. They have the right to change the direction of the project/community if the decision does not harm the project/community. However, the president will not be able to kick or ban any users/holders and must discuss with the CRY team before implementing any business decisions.

Article 4 (Establishment of Government) The elected president can nominate a vice president. If the nominee consents, they become the vice president. Even if the president or the vice president resigns from office, their NFTs will remain locked. The vice president's term in office is guaranteed as long as the president does not resign or is impeached.

Article 5 (Consecutive Appointment) If the current president receives the most votes during the next election, they can be appointed consecutively. There are no limits to the number of times a holder can serve as the president.

Article 6 (Risks) The elected president is responsible for all taxes and legal risks incurred during their time at office. CRY team is not liable for any taxes and legal issues.

Article 7 (Involvement) CRY team will not intervene in any of the president's activities as long as it does not seriously harm the project/community. CRY team is not responsible for whether the president fulfills their promises or not and will not intervene in the usage of the presidential budget.

5. Crazy Rich Yellows (CRY) Economics

5.1 Number of NFTs Minted

The total number of minted Crazy Rich Yellows (CRY) NFTs is 5,600.

5.2 Number of NFTs According to Type

Total: 5,600

- Common: 5,000
- Rare: 500
- Unique: 100

5.3 NFT Distribution

CRY team will free mint all its NFTs, excluding Team NFTs (used for events, marketing, development, and operation of the project). The value of CRY NFTs will be close to zero at its initial stage, but as the project progresses, the rightful market price of CRY NFTs will be established. Specifics on NFT distribution guidelines and schedule will be available on the official CRY Twitter account and Discord channel.

5.4 Transparency of NFT Distribution

CRY team plans to announce distribution decisions of Team NFTs through the Discord channel within 14 days of decision making.

6. Legal Disclaimer

The purpose of this Whitepaper ("Whitepaper"), in its current form, is circulated for general information purposes to the Crazy Rich Yellows (CRY) project and is subject to review and revision. This Whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by the issuer/distributor/vendor of the CRY NFTs.

Therefore, this Whitepaper should not be interpreted as a suggestion to purchase or sell any CRY NFTs.

The information in this Whitepaper is current only as of the date on the cover hereof (September 27nd, 2022). Therefore, this Whitepaper does not guarantee any information for the near and far future. To fully understand the information in this Whitepaper, seeking professional advice is recommended.

CRY team clearly state that we are not liable for any consequences based on the decisions made upon the information of this Whitepaper.

Finally, CRY NFTs are not intended to constitute securities, units in a business trust, or units in a collective investment scheme. Accordingly, this Whitepaper therefore, does not, and is not intended to, constitute a prospectus, profile statement, or offer document of any sort, and should not be construed as an offer of securities of any form. Therefore, holders of the CRY NFT will not be granted any voting rights, dividend rights, and any rights as a shareholder in general. However, CRY holders will be granted rights to utilize the IP of CRY NFTs for creating secondary creations based on usage and purpose.