



# district0x

## Quarterly Report Q3 2017

October 10th, 2017

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Summary

# Mission, Vision, and Values

During the most recent quarter, the district0x team took time to define the mission, vision, and values that drive the project and guide our decision making processes.

## Our mission

Decentralize the ownership structures of the world's marketplaces.

## Our vision

Deploy a platform for the creation and operation of communal marketplaces as decentralized entities, build network effects around the platform via a suite of ancillary services and by fostering a third-party developer ecosystem, and leverage these network effects to supplant privately controlled marketplaces with districts that allow for open participation in the governance of markets.

## Our Values

1. **Transparency** - Transparency is a topic [we've written on at length](#). In short, without open and honest communication, we rob the community and each other from opportunities to contribute in the most meaningful way.
2. **Autonomy** - Autonomy is a key value for maintaining an efficient distributed workplace. It means we supply the tools and information to do the job, but trust one another to get that job done. We seek to remove bottlenecks, and automate any repetition. We grow together and set each other up for success by focusing on an individual's strengths.
3. **Inclusion** - Leveraging a vast and powerful network can only be accomplished when we cast the widest net possible. We welcome participation from all colors and creeds, across all borders and nationalities. We are empowered by the diversity of our ideas because competition breeds strength.
4. **Decentralization** - Decentralization might be the buzzword of the year, but it's hard to imagine anyone understanding why we want to build what we're building without believing in its transformative power. We see untapped potential in the will of the masses, and believe in a brighter future when individuals and collectives can self-determine. We seek the path of broadest consensus, and work to align motivations through incentives, not instigation.

# Product

## Voting and Feedback dApps

The district0x team makes use of an open proposal system to source ideas for new marketplaces from our community. Before the completion of [Contribution Period v0.1](#), the [district0x Voting dApp](#) was deployed, providing DNT holders with the ability to signal for what districts they would like to see built and launched to the network next as soon as tokens were distributed following completion of the fundraiser.



3,100 DNT 0x79bd5924...

### What should we build next?

district0x makes use of a [district proposal process](#) to allow the community to determine what districts they would like to see built and deployed to the network next by the district0x team. To signal for a district you would like to see launched, please complete the following steps:

- Enable the MetaMask or Parity extension in your browser
- Fund your MetaMask or Parity wallet with district0x Network Tokens
- Click 'Vote' under the district you would like to signal for
- Confirm the transaction via MetaMask or Parity extension
- If you want to vote from MyEtherWallet, see tutorial [here](#)

Note: You may only vote for one district per address at a time. No DNT are transferred when signaling, the voting mechanism simply registers your indication to your address. As such, the entire DNT balance stored at that address would be counted towards the vote. Once DNT is transferred to a new address, the district's vote total would be lowered by a corresponding amount. Your vote can be changed at any time by voting again from the same address.

Contract Address: [0xb1618a0bff4e017e1932c4f0ac93d27e4c08d17a](#)  
[ABI / JSON Interface](#)

Total votes: 47,039,863 DNT DNT Votes ▾

#### DP29: Decentraland District

ID: 29  
Created: Tue, 11 Jul 2017 18:35:54  
Github upvotes: 27  
Github comments: 21  
[Open in Github](#)  
[Show description](#)

17,050,420 DNT (36.25%)

A [similar dApp](#) has deployed which allows DNT holders to signal for the areas they would like to see [Name Bazaar](#) development efforts focused on.

## Name Bazaar

The primary focus of our development team this quarter has been preparing [Name Bazaar](#) for launch. Name Bazaar is a peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.

Having recently received our [completed audit](#) of the platform from Nick Johnson, the creator of ENS, we anticipate finalizing changes and deploying for launch before the end of the month.

The screenshot shows the Name Bazaar website interface. At the top, there is a dark blue header with the Name Bazaar logo, which is a green shield with the text 'NAME BAZAAR' and 'ENS NAMES ETH'. Below the logo, the text reads: 'A peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.' There is a search bar with the placeholder text 'Enter Keyword' and a magnifying glass icon. Below the search bar, there are two buttons: 'View Offerings' and 'Create New Offering'. The main content area is divided into three columns: 'Latest' (green background), 'Most Active' (purple background), and 'Ending Soon' (pink background). Each column displays a list of names for sale, including the name, price in ETH, and the number of bids and time left. A 'BUY NOW' button is present for each item. At the bottom of each column, there is a 'SHOW MORE' link. On the right side of the page, there is a circular 'NB HELP' button. At the bottom of the page, there is a footer that reads: 'district0x Part of the district0x Network'.

NAME BAZAAR  
ENS NAMES ETH

A peer-to-peer marketplace for the exchange of names registered via the Ethereum Name Service.

Enter Keyword

View Offerings

Create New Offering

**Latest**

Name	Type	Price (ETH)	Bids	Time Left
blackjack.eth	AUCTION	99	0	9 Days Left
darkmarket.eth	AUCTION	2215	1	1 Day Left
district.eth	BUY NOW	17		Buy Now
wallet.eth	BUY NOW	12.35		Buy Now
exchange.eth	BUY NOW	101.2		Buy Now

**Most Active**

Name	Type	Price (ETH)	Bids	Time Left
openmarket.eth	AUCTION	14.98	1	9 Hours Left
tickets.eth	AUCTION	12	1	1 Days Left
trading.eth	AUCTION	149.22	0	11 Hours Left
registry.eth	AUCTION	67	0	13 Hours Left
internet.eth	AUCTION	87	0	1 Day Left

**Ending Soon**

Name	Type	Price (ETH)	Bids	Time Left
mywallet.eth	AUCTION	1.23	1	9 Hours Left
payment.eth	AUCTION	19.2	0	11 Hours Left
lending.eth	AUCTION	42	0	13 Hours Left
coinmarketcap.eth	AUCTION	63.7	1	1 Day Left
contracts.eth	AUCTION	87.2	0	9 Days Left

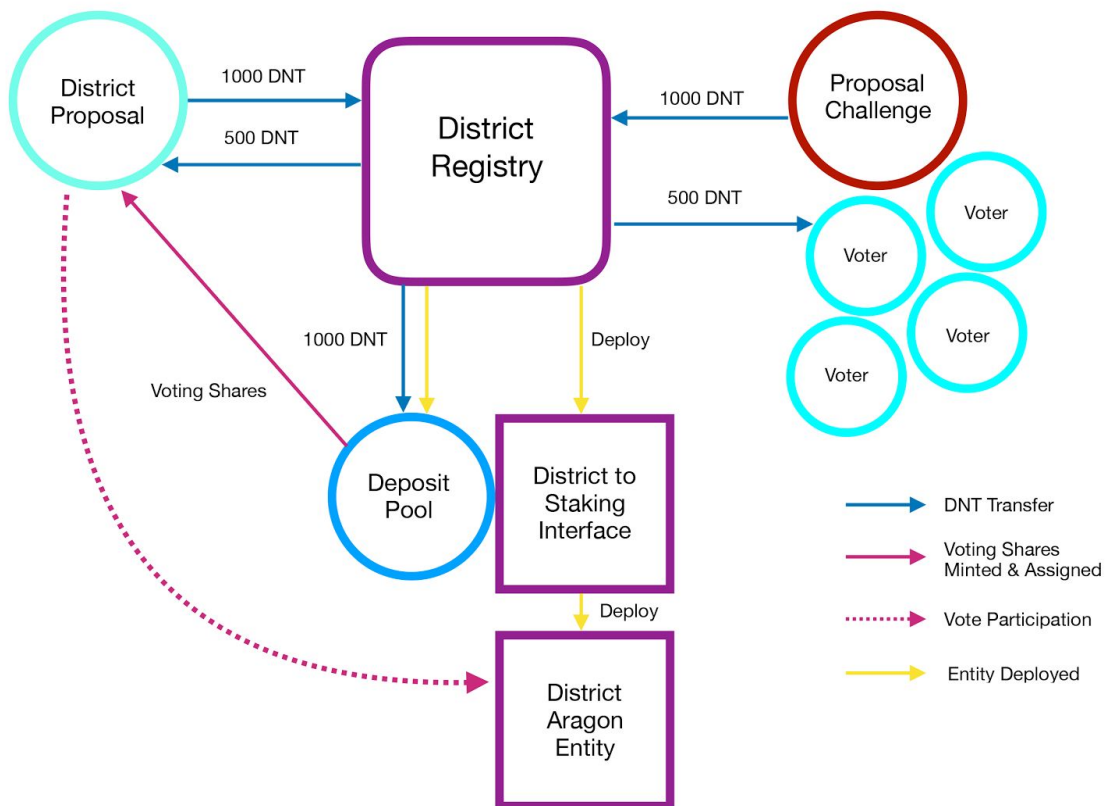
district0x Part of the district0x Network

## The District Registry

As an open source project we are frequently asked how we intend to ensure that prospective marketplaces make use of the district0x Network Token for their district and how we will safeguard the district0x Network from malicious actors which could open the project to legal risks.

To address these questions, we introduced our plans for the [District Registry](#), a means of dictating access to the staking Interface and a suite of ancillary services designed to maximize network effects and build moats around the district0x Network. The District Registry is a decentrally-maintained smart contract which stores the credentials of districts which have been granted access to the district0x Network by way of an incentivized voting game.

The diagram below illustrates the way which DNT will flow between entities in the district0x ecosystem in the event of a district proposal submission and challenge, with the proposal ultimately being approved.



## Partnerships

The district0x team spends a considerable amount of time engaging with other projects in the space who offer the potential for interoperability or who are logical candidates to build a marketplace component of their project on the district0x Network.



[Aragon](#) is an operating system for decentralized entities. Every time a district is deployed on the district0x Network, a deposit pool will be created and a corresponding entity will be launched on the Aragon Network, allowing token holders to stake their tokens to the deposit pool to mint governance rights in the Aragon entity, which can be utilized to propose and vote on aspects of the district.



[Ox](#) is a protocol for the peer-to-peer exchange of Ethereum based tokens, intended to serve as an open standard and common building block to drive synergies between decentralized applications. We will make use of the protocol to eliminate barriers to entry and reduce costs for end users, by leveraging Ox to allow districts on the network to accept payment in any ERC20 token.



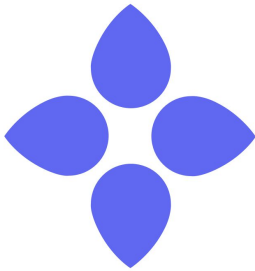
[Decentraland](#) is an open source initiative to build a traversable virtual reality world. Within their metaverse, habitants can claim land as their own and build anything they wish upon it. As in the real world, land in Decentraland is scarce, non-fungible, and transferable. We intend to collaborate with the Decentraland team to develop a secondary market for land ownership and rentals.



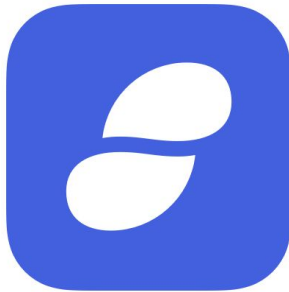
[SpankChain](#) is a payment processor and live video platform for the adult entertainment industry. SpankChain's technology allows for the removal of third party intermediaries, middlemen, and unfair payment practices with the use of smart contracts and advanced payment processing hubs. The district0x and SpankChain teams intend to collaborate to develop a marketplace for pre-recorded adult content.



[Gifs.com](#) provides a short media editor tool that features enhanced effects powered by machine learning and computer vision, which allows users to quickly and simply create a vast array of gifs and share to their favorite platforms. We are partnering to develop an integration that allows their users to post creations to [Meme Factory](#) as easily as they can post to Facebook.



[Bloom](#) is a protocol for assessing credit risk through federated attestation-based identity verification and the creation of a network of peer-to-peer and organizational creditworthiness vouching, aka credit-staking. Together, we are actively exploring the creation of a p2p lending district which leverages the Bloom protocol for identity verification and credit scoring.



[Status](#) is an open source messaging platform and mobile interface to interact with decentralized applications that run on the Ethereum Network. We intend to work closely with Status to provide the tools necessary for districts to have mobile voting, user authentication, notifications, and chat-bot assisted functions such as creating or managing a new district, all done via a decentralized messaging platform.



The [Keep Network](#) is a privacy layer for Ethereum. A keep is an off-chain container for private data which helps contracts harness the full power of the public blockchain, enabling deep interactivity with private data. With keeps, you can easily sell digital goods like ebooks, videos, MP3's and more without the need of a server and custom download processor. We intend to collaborate with the Keep team to provide their functionality to all districts.

# Community

The district0x Network is an open cooperative and very much a community-driven effort. The project roadmap is not considered complete until all decision-making powers have been turned over to token holders. Given such, attracting and maintaining an engaged community of supporters is key to the success of the district0x Network.

## **District Digest Streams**

This quarter we started the twice a week [District Digest](#) live stream. The live stream has attracted nearly 50 followers who participate in the stream chat. Viewership across Youtube, Twitter, and Mixer have topped out at well over 1500 views on recent streams.

## **Slack**

We moved Slack to an invite only model to reduce the amount of spam and scam attempts made on our community members. If an invite to Slack is desired, community members are encouraged to reach out for an invite. We are exploring options which will allow us to reopen our Slack inviter in the near future.

## **Telegram**

[Telegram](#) is currently our primary entry point for new community members. We have seen steady growth in new users and encourage anyone wanting to learn about the project to reach out with any and all questions. We also have an [announcement channel](#) in Telegram for community members who prefer this for project updates.

## **Twitter**

Our [Twitter](#) was first registered in June of 2017, and we have seen substantial growth since our initial announcement. We've gained 15,118 new followers this quarter, for a total follower count of 17,300+. In addition to the district0x twitter, we are increasing our activity for our district twitter accounts - Ethlance, Name Bazaar, and Meme Factory to add to the overall reach of the district0x network.



## Reddit

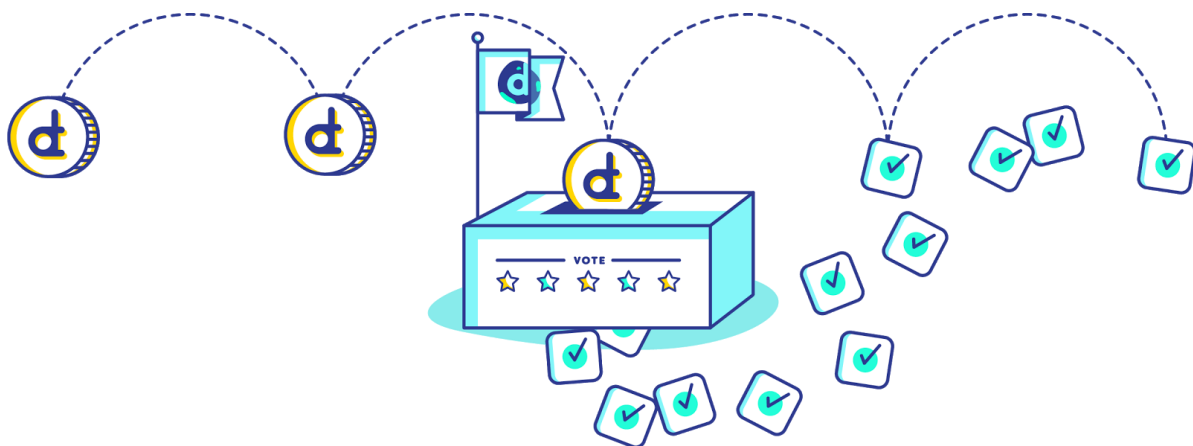
The [districtOx subreddit](#) has continued to be a primary discussion and distribution channel for our community. This past quarter, we completely redesigned and revamped the subreddit by adding a new user interface, an updated sidebar, and new wiki. Our total subscriber count has reached 4,000 and continues to grow.

## Medium

Every week we publish [The District Weekly](#), which tracks the latest updates and (non-technical) developments from the network and highlights district proposals submitted by community members. In addition to the The District Weekly, we publish bi-weekly [Dev Updates](#), the [Will Work For Ethereum](#) series which highlights career opportunities on Ethlance, and any other relevant and exciting updates. We currently have 1,300 followers and have received 150,000+ views in the past quarter alone.

## Inbox Insider

This quarter we've added a bi-weekly email updated called the [Inbox Insider](#) which rounds up all of the various updates and highlights and places them in neat recap making it easy for those who wish to stay involved with our progress via email are able to do so.



# Team

The district0x team has grown considerably over the past three months, expanding from a team of 2 to 7 team members at present. The following team members have joined in recent months.

**Alexander Khoriaty** - Project Manager at district0x, Alexander has determination for finding user experiences that can propel revolutionary and disruptive technology to the mass market. After studying physics at the University of Michigan, Alexander worked as a fire investigator before spending 2.5 years at Coinbase working on Quality Assurance and Payment Operations.

**Mike Konkov** - Mike is a software architect and developer with more than 20 years experience in a wide range of domains, from business apps to games. Fascinated by society-transforming possibilities of the blockchain technology.

**Filip Bielejec** - Filip studied Applied Mathematics before working as a software developer in various roles and industries, from authoring OpenSource software for geo-awareness in epidemiology, navigation and map-data solutions to healthcare and insurance.

**P.J. Leimgruber** - P.J. is an accomplished digital marketer, currently teaching ITP 476 - Technologies for Interactive Marketing at The University of Southern California and serving as Chief Marketing Mentor at European Innovation Academy during the Summer. Previously co-founded NeoReach, an enterprise cloud platform for influencer marketing management and intelligence serving Fortune 500 brands including Microsoft, Citrix, Walmart, among others.

**Brady McKenna** - Brady is a long time consultant and educator in the blockchain space. He previously worked at Coinbase on the Support Operations and Regulatory Compliance teams. Brady is also a musician known for merging blockchain concepts and the musical/creative arts.

# Financials

## Balance Sheet

USD Value on 10/8/2017 as per Etherscan

### ASSETS

CURRENT ASSETS	Q4 2016	Q1 2017	Q2 2017	Q3 2017
ETH	-	-	-	\$13,263,765
DNT	-	-	-	\$7,500,636
OMG	-	-	-	\$123
Cash	-	-	-	\$0
Accounts Receivable	-	-	-	\$0
Temporary Investments	-	-	-	\$0
Prepaid Expenses	-	-	-	\$30,917
Other Current Assets	-	-	-	\$0
<b>TOTAL CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$20,795,440</b>

## Income Statement

USD Value on 10/8/2017 as per Etherscan

	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenues	\$0	\$0	\$0	\$13,465,421
Cost of Goods Sold	\$0	\$0	\$0	\$0
<b>GROSS PROFIT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,465,421</b>

	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Contractor Wages Expenses	\$0	\$0	\$0	\$140,744
Technology and Development Expenses	\$0	\$0	\$0	\$22,419
Marketing and Sales Expenses	\$0	\$0	\$0	\$5,841
General and Administrative Expenses	\$0	\$0	\$0	\$32,652
Other Expenses	\$0	\$0	\$0	\$0
<b>OPERATING PROFIT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,263,765</b>

## Summary

After months of planning and preparations, we are thrilled to have completed our initial launch and fundraiser, taking our first steps on our mission to decentralize the ownership structures of the world's marketplaces. We look forward to working hand in hand with our partners and community of supporters to deliver a platform which empowers the world by providing tooling to remove intermediaries from daily commercial activities and allow for the equitable distribution of value produced across the global human network.

Joe Urgo  
[joe@district0x.io](mailto:joe@district0x.io)

## Learn More

For more information about the district0x Network:

- Check out our [white paper](#)
- Watch our [introduction video](#)
- Subscribe for [email updates](#)
- Follow us on [Twitter](#)
- Join us on [Telegram](#)
- Subscribe to our [subreddit](#)