
Etherplan Seed Investment Proposal

Etherplan

The Global Wealth Management Network
Seed Investment Proposal - June 8th, 2016

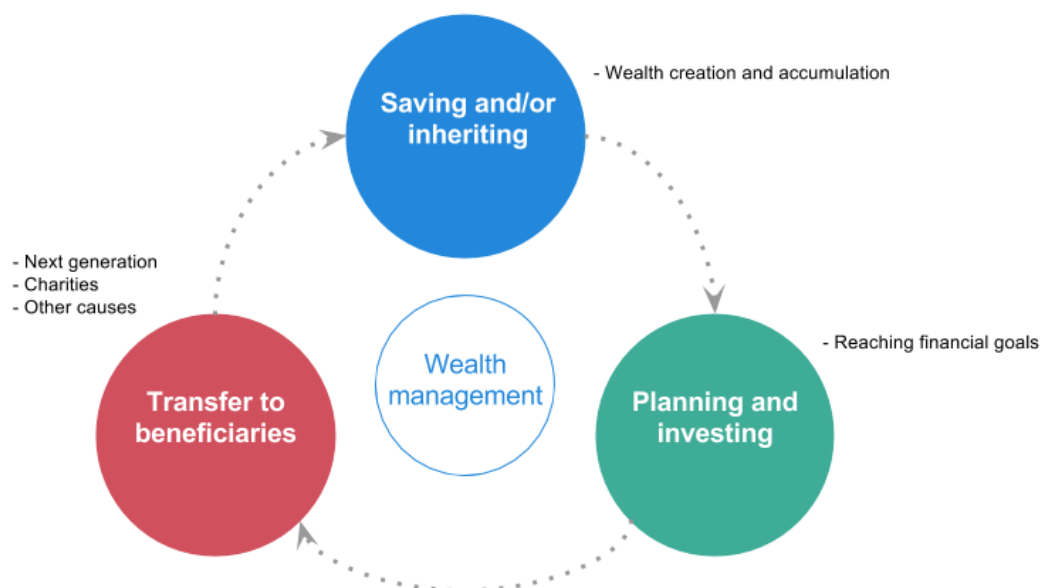
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Abstract: Etherplan is seeking a seed investment of \$1.000.000 to finance 12 to 18 months of operations. The company is planning to change the way people everywhere in the world manage their wealth and eventually pass it on to beneficiaries. If successful, the system will help users replace the traditional financial industry and bypass the legal and court systems by managing their money on the trust minimized and highly secure environment of the blockchain, and using their social graph as beneficiaries and trustees to their wealth.

1. Introduction

Etherplan is a global wealth management network that lets people connect their friends, family and advisors to manage the full life cycle of their smart portfolios on the blockchain.

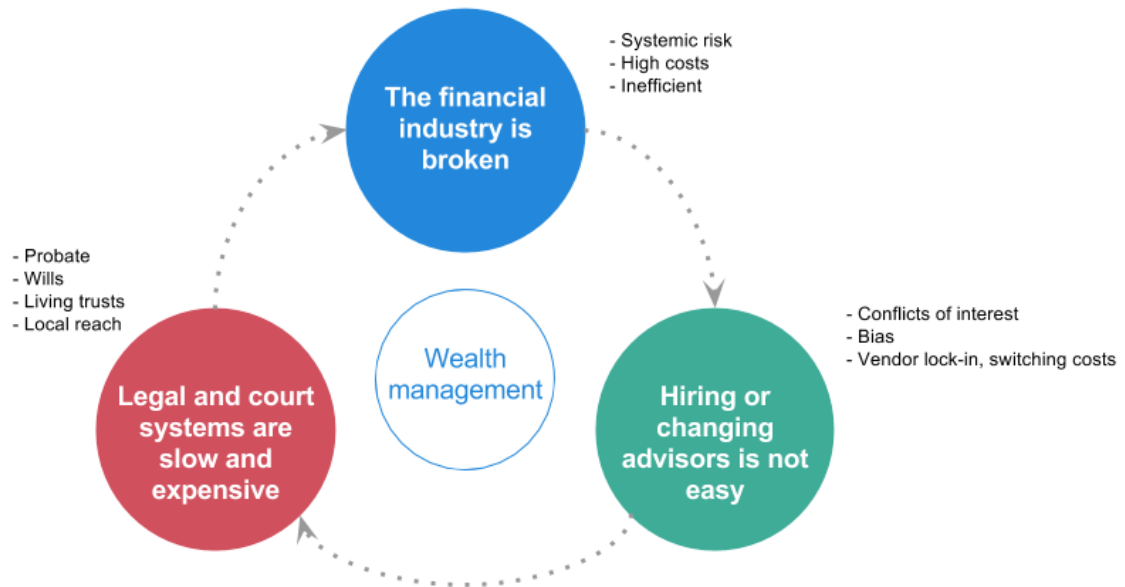
By “full life cycle” we mean the three phases of wealth: 1. creation and accumulation, 2. investment and financial goal achievement and 3. wealth transfer to the next generation or any other kind of beneficiary e.g. charities, endowments, causes, etc.



There is continuity as wealth is transferred between owners and beneficiaries who become new owners, aim to achieve their financial goals and bring new beneficiaries to the cycle.

2. Problem

The problem with traditional wealth management is that it runs on archaic and centralized financial and legal systems.



The financial industry is broken: As demonstrated by the 2009 global financial crisis, even the most prestigious institutions are vulnerable to individual and systemic risks. Centralization and legacy systems make their services expensive and extremely inefficient e.g. securities trading settlement takes 3 days [1]; SWIFT international wire transfers may cost between \$15 and \$50 and have delays of up to 48 hours [2].

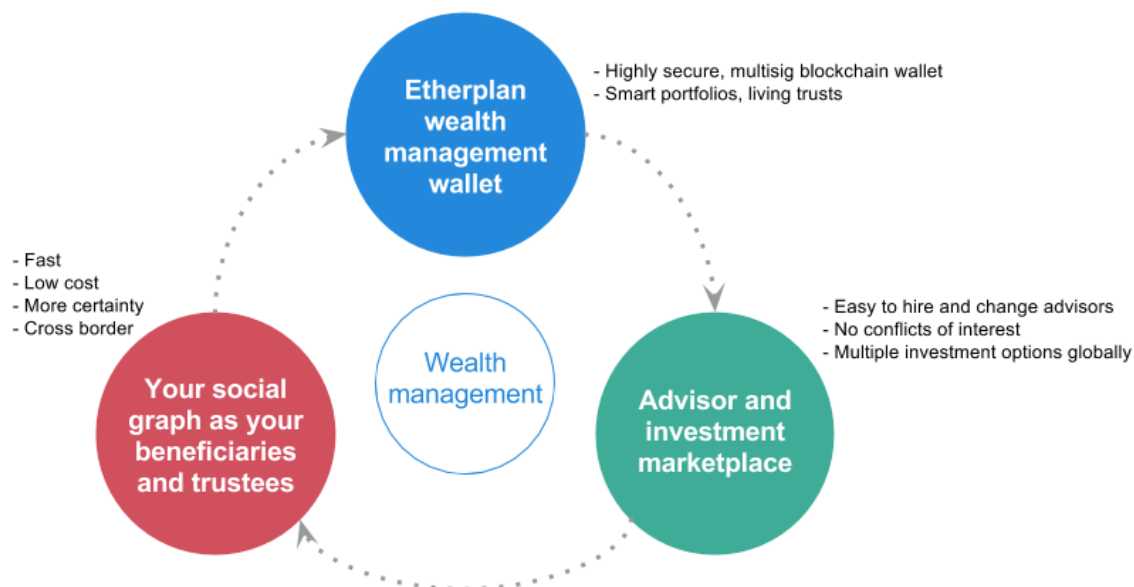
Hiring and changing advisors is not easy: Sometimes independent financial advice is available at a separate cost, but mostly sales and advisory services are provided by the financial institutions themselves. Their business model is usually to create vendor lock-in where the costs of switching providers are either high e.g. selling a mutual fund may have a back-end fee of 1% [3], or too cumbersome e.g. broker to broker Automated Customer Account Transfer Service (ACATS) in the U.S. may take a minimum of 7 days, but is usually completed in 2 weeks [4].

Legal and court systems are slow and expensive: Inheritance proceedings are usually subject to national and state jurisdictions, they are difficult to manage for assets or beneficiaries who are located in different places, and even in the most simple probate processes it may take months or years for heirs to receive their share of wealth [5]. The costs are not only in time spent, but also in potential fees that may run between 1% to 10% depending on the complexity, jurisdiction, court, executor or other ancillary service fees such as lawyers, accountants and appraisers.

3. Solution

The financial industry may be replaced and the court systems may be bypassed using the highly

secure public blockchain. Bitcoin and Ethereum are increasingly demonstrating this to the world by providing a global, borderless and trust minimized environment for wealth creation, storage and transfer. Smart contracts may be used to automate, provide certainty and lower costs in the critical steps of the full life cycle of wealth.



The Etherplan wealth management wallet: A highly secure, multisig blockchain wallet that is customized and specialized for wealth management services. It enables users, regardless of where they reside, to create goal oriented smart portfolios, adjust them to their local laws, connect beneficiaries and trustees, and manage their money using the best advisors on the platform.

Advisor and investment marketplace: Advisors, who may be mutual fund companies, investment firms, or boutique registered investment professionals, may be invited to the system by users or they may be searched and ranked by reputation and performance on the Etherplan platform. If investors wish to allocate funds to or change advisors, they may do so with a few clicks instead of taking weeks and high switching costs. Investment options that users or their advisors may invest in are global, on-blockchain options such as native assets (ETH, BTC, etc.), DAO tokens, synthetic assets or cash flow products (CFPs) like stocks, bonds, ETFs or commodities.

Other types of advisors may be connected by users for other functions and services such as accountants, tax preparers, lawyers, estate planners, or insurance providers.

Your social graph as your beneficiaries and trustees: On a global public blockchain, once wealth transfer rules are linked to portfolios and coded into smart contracts, they may be more secure and certain than traditional court and legal systems. If smart portfolio owners may connect their beneficiaries and trustees to their wealth directly, then the resulting system becomes faster, more secure and less expensive bypassing existing traditional methods such as probate, wills or living trusts.

4. Product

The components of the Etherplan global wealth management service include:

1. A specialized wealth management multisig wallet
2. A financial goal oriented smart portfolio builder
3. Smart portfolios are revocable living trusts
4. The Etherplan Vetted Asset list (EVA list) to prevent investing in scams within smart portfolios
5. A smart portfolio trading station with connection to exchanges e.g. Shapeshift.io
6. The advisor marketplace where customers are able to research, compare and analyze providers to link to their smart portfolios
7. A social network so friends and family may be connected and become beneficiaries or trustees of smart portfolios
8. Connection to other smart portfolios so customers may become beneficiaries or trustees themselves

Etherplan UI sketch:

Etherplan wallet	My smart portfolios	My advisors	My beneficiaries	My trustees
Cash: 100 ETH 45 BTC 10,000 USD [Send/Receive]	- Retirement: \$250,000 [View] - Education: \$80,000 [View] - Emergency: \$59,000 [View] - General: \$100,000 [View] Revocable living trusts [Change]	BlackStone Crypto portfolio Fidelitas DAO equity growth Multisig: invest only John Smith My accountant Multisig: view/download only [Change]	Nancy (wife) 30% Donnie (son) 20% Nick (son) 20% Mary (daughter) 20% Multisig: 3 of 4 [Change] Red Cross 10% [Change]	Peter Morris Best friend Monica Jones Sister Multisig: 2 of 2 OR Harry Cox My lawyer (fee) Multisig: My lawyer + 1 [Change]
Smart portfolios where I am a beneficiary			Smart portfolios where I am a trustee	
- Inheritance from my uncle Bob [Claim]			- My work retirement plan [Redeem - 10% penalty] [Vesting: 12/31/2046]	
			- My friend Alex [Manage trust]	

The continuity of wealth transfer flows between owners and beneficiaries may be seen above not only because customers have the ability to connect beneficiaries and trustees to their smart portfolios, but also because they can be beneficiaries or trustees to other smart portfolios. For example, the owner of the wallet above is a beneficiary to “uncle Bob’s” smart portfolio, a beneficiary to “my work’s retirement plan” and is also a trustee to “my friend Alex” smart portfolio.

Smart portfolio features:

1. Smart portfolios (SPs) may be structured as living trusts [15]
- Owner is settlor and trustee, keeps full control
 - Assets are moved from personal accounts to trust accounts
 - Successor trustees are designated

- Connect beneficiaries
- 2. Customers may have several SPs
- 3. Each SP may have a specific financial goal
 - Emergency fund
 - Retirement
 - College fund
 - General investing
- 4. Each SP may be self managed or have one or multiple advisors designated
- 5. SPs only invest in the Etherplan Vetted Asset list (EVA list)

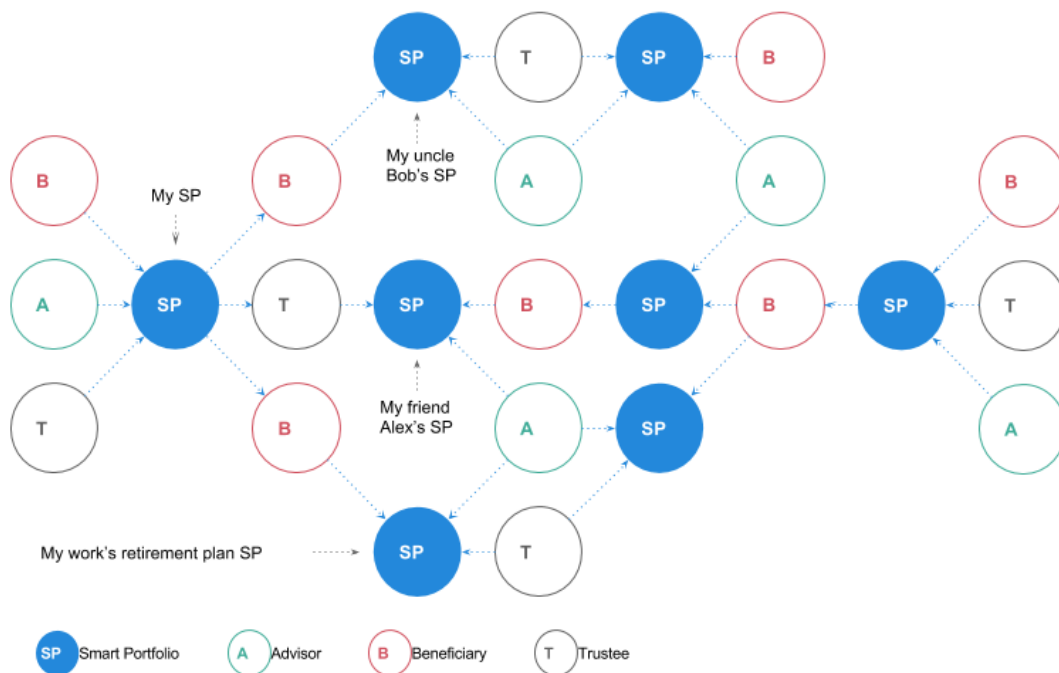
Product scope for the present proposal:

Etherplan’s minimum viable product (MVP) is the wealth management wallet, with complete functionality to enable the transfer of assets to trustees or beneficiaries. The relationships will be secured with living trusts as blockchain-based contracts. These contracts will meet the necessary requirements to be recognized as a legal contract in a court of law. For more information about scope, please refer to the section 10, Roadmap below.

5. Uncovering the wealth social graph

Network effects:

The relationships in the Etherplan UI sketch in the previous section are represented in the wealth social graph below. As more customers, advisors, beneficiaries and trustees join the network it becomes more valuable to everyone in the ecosystem.



The case for Etherplan:

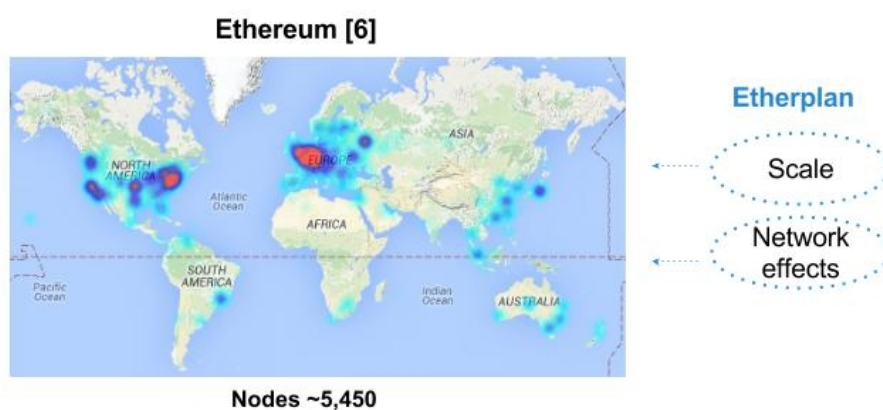
Analyzing the major social networks today, such as Facebook and LinkedIn, it may be observed

that the key to their success was to uncover social graphs in activities that were not necessarily new to society. What they really provided, with great success, was a platform to perform those tasks much more efficiently on a global scale.

Since individuals and families are forced to use archaic systems to manage their money, the opportunity for Etherplan is to uncover the wealth social graph by providing a global, easy to use wealth management platform on the blockchain.

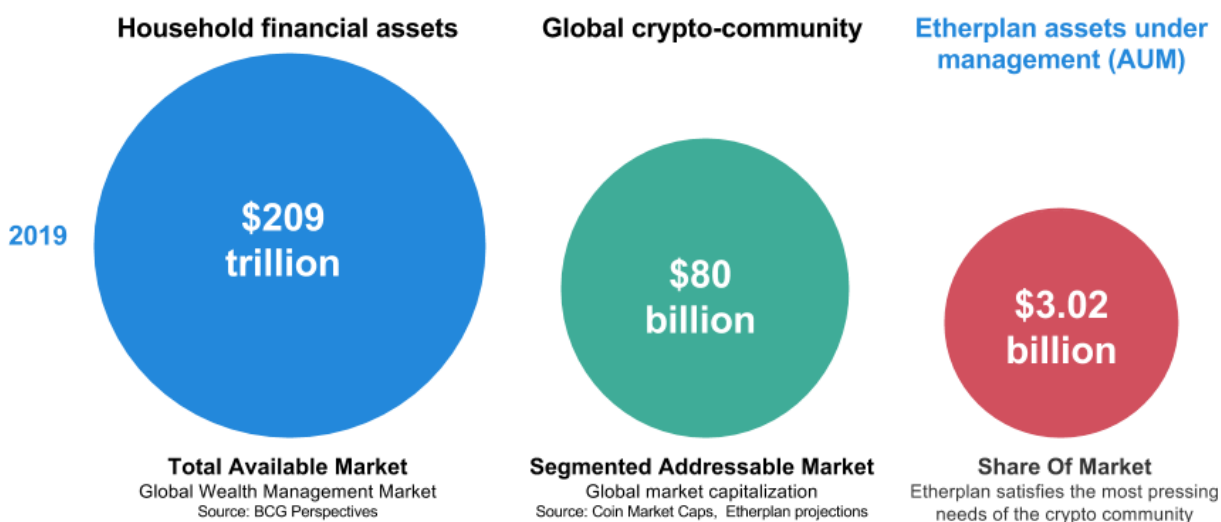
6. Why now?

The best way to capitalize the first mover advantage and to follow the maturity curve of blockchain-based virtual computer technology is to start as soon as possible building Etherplan on Ethereum.



7. Market size

Since Ethereum is an international cross border platform, the size of the opportunity has a global scale.



Total Available Market (TAM): According to Boston Consulting Group, global household financial wealth in 2019 will be approximately \$209 trillion [7]. This may be considered Etherplan's total available market measurement.

Segmented Addressable Market (SAM): The market we are targeting is the subgroup that comprises all investors who own crypto-assets enabled by blockchains such as Bitcoin and Ethereum. According to Coin Market Caps, that universe of wealth was worth approximately \$11 billion by June 2016 [8], and Etherplan projects this valuation may be worth \$80 billion by the end of 2019. This segment is a natural first market segment because investors are already used and convinced about blockchain security and they embrace the benefits of decentralization and trust minimization.

Share of Market (SOM): Etherplan's expected share of market is \$3.02 billion by 2019. To project these levels, although not without their inherent uncertainties, we used the recent growth trajectory of relatively new fintech services like Wealthfront [9] and Betterment [10] and we considered enhanced performance in customer acquisition due to potential network effects (more about these projections in the unit economics section below).

8. Competitive advantages

First to market: First decentralized, social graph powered, wealth management platform.

Network effects: By using social graphs, users and service providers increase network value.

Low customer acquisition cost (CAC): As network effects power customer acquisition, marketing investment and capital required are significantly reduced.

Security: Trust is minimized so institutional and systemic risks are significantly mitigated. More certainty and speed are accomplished in the wealth transfer process by using smart contracts rather than the legal systems.

Price: Reputation, comparison, an easy switching mechanism and enhanced competition reduce provider costs. Only on a backend of open programmable blockchains like Ethereum can wealth management stay competitive.

Borderless: Access to a worldwide array of investments and providers to enhance returns and diversify risks. It doesn't matter anymore if smart portfolios, investments, owners or their beneficiaries are located in different jurisdictions.

9. Competitors

Potential direct competitors like Coinbase and Blockchain.info have made an excellent job growing their customer bases to millions at low acquisition costs by taking advantage of Bitcoin's growing popularity.

However, these and other blockchain based providers have a different focus, positioning and expertise. This will make it difficult for them to suddenly pivot and effectively compete with

Etherplan in the wealth management space.

	Coinbase	Xapo	Circle	Blockchain.info My Wallet	Etherplan
Social network (beneficiaries and trustees)	X	X	X	X	Yes
Advisor network	X	X	X	X	Yes
Vetted asset list	X	X	X	X	Yes
Smart portfolios / living trusts	X	X	X	X	Yes
Multisig wallet	Yes	Yes	Yes	Yes	Yes
Blockchain agnostic	Yes	No	Possibly	No	Yes

Coinbase: The company has recently manifested “Coinbase is not a wallet” posting their focus on crypto-asset exchange services rather than retail account management and payment services [11]. Exchange services are a core function for markets in general, but not wealth management services per se. In fact, Etherplan will likely use independent exchange services, such as Coinbase’s GDAX or Shapeshift.io, for smart portfolio order execution.

Xapo: Their service focuses on Bitcoin vault security and they are geared toward high value institutional services [12]. Their residual retail wallet and payment cards are more suitable for payment and day to day use rather than wealth management.

Circle: The explicit mission of Circle is “moving money over the open internet, like the way we share music, texts, photos and information now” [13], this is aligned with their payments and transfer services and consistent with smaller amounts rather than long term savings and smart portfolios.

Blockchain.info My Wallet: As the original blockchain explorer service, this company has a very advanced and sophisticated data service profile. It has been convenient for millions of early adopters to open and use the Blockchain.info My Wallet. Their security model of making available the private keys to customers safely is arguably the most adequate [14]. However, their focus and expertise remains in the information and practical blockchain tools space rather than sophisticated full life cycle wealth management service.

10. Roadmap

With the financing requested in this proposal, Etherplan plans to fund, depending on ETH volatility and future funding availability, between 12 to 18 months of operations.

The project will be divided in three semesters with three distinct goals: build the MVP described in section 4, achieve product market fit, and finally launch and promote to the full crypto-community. The internal projects are divided in product, compliance and business development

functions (more about projections in the section 14. Financial proposal and ROI to The DAO below).

	Build	Fit	Traction
Product	<ul style="list-style-type: none"> - Build MVP - Test-net/crypto community sample - Hire lead engineer and engineer 	<ul style="list-style-type: none"> - Test - adjust MVP - Test - adjust algorithms - Public-net/crypto community sample 	<ul style="list-style-type: none"> - Launch - Promote full crypto community - Customer acquisition - Hire CIO (CFA/CFP)
Compliance	<ul style="list-style-type: none"> - Start SEC RIA licensing - Take exams (series 65) 	<ul style="list-style-type: none"> - Establish KYC/AML system - Complete execs licensing process - Complete firm licensing process 	<ul style="list-style-type: none"> - Ongoing compliance process in place - Supervise investments - Hire CCO and legal assistant
Management /Biz Dev	<ul style="list-style-type: none"> - Negotiate deals w/ crypto exchanges - Negotiate deals w/ asset providers 	<ul style="list-style-type: none"> - Recruit certified advisors - Integrate exchanges - Integrate investment assets - Build asset research department 	<ul style="list-style-type: none"> - Series A round - Hire business development team - Growth acceleration phase -->
	Semester 1	Semester 2	Semester 3

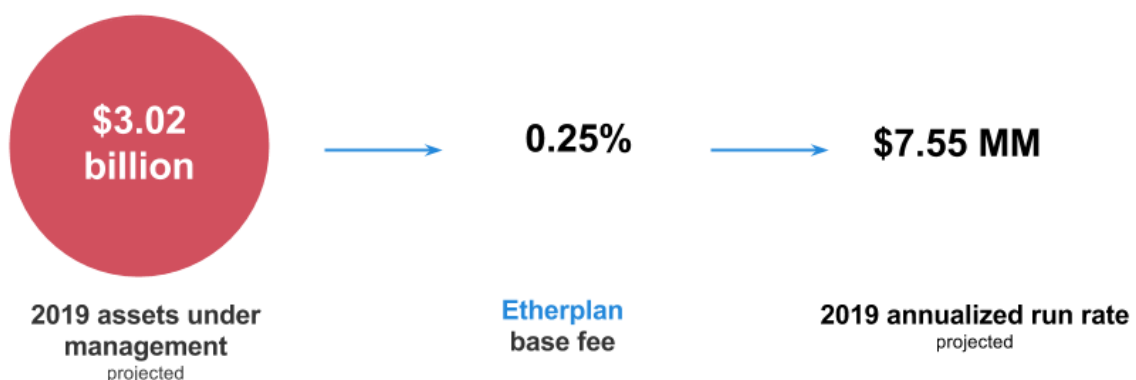
The expected launch date of the MVP is the second half of 2017, but it will possibly exclude from the list of components in section 4. Product above, the following components:

- (4) The Etherplan Vetted Asset list (EVA list)
- (5) A smart portfolio trading station
- (6) The advisor marketplace

These modules will be built in the next phase, possibly with a second round of financing, and will be launched in the second half of 2018 (12 months after the first launch).

11. Business model

The plan is to charge low fees to smart portfolio owners on assets under management (AUM), but there is an opportunity for cross and up selling related products and ancillary financial services (not reflected in this chart).



12. Pricing

Smart portfolio expense ratios are flexible to accommodate customer preferences. Customers may want to manage their investment themselves or hire an advisor. They can also use products that have embedded fees like some types of DAO tokens or tokenized synthetic assets such as ETFs. Additionally customers, depending on their trading frequency, may incur in exchange and gas costs per trade for managing their portfolios themselves or through advisors.

Estimated annualized fees for managing smart portfolios depending on services or investment products selected:

Etherplan	Standard	Medium		High
Base fee	0.2500%	0.2500%	0.2500%	0.2500%
Investment advisor	0.0000%	0.2500%	0.0000%	0.2500%
Underlying assets	0.0000%	0.0000%	0.1500%	0.1500%
Exchange fees	0.1000%	0.1000%	0.1000%	0.1000%
Gas cost	0.0514%	0.0514%	0.0514%	0.0514%
TOTAL	0.4014%	0.6514%	0.5514%	0.8014%

- Base fee: Etherplan annual fee
- Investment advisor: If customer wants to use an investment advisor from the advisor marketplace
- Underlying assets: If customer invests in synthetic ETFs or other tokens with internal fees
- Exchange fees: Fees negotiated with external crypto-exchanges
- Gas cost: Blockchain computation cost paid to miners

Comparison with existing off-blockchain alternatives:

Competitors	Wealthfront	Betterment	Futureadvisor	Nutmeg	Personal Capital	Vanguard	Traditional industry
Advisory fee	0.25%	0.25%	0.50%	0.75%	0.89%	0.30%	0.99%
Underlying assets	0.12%	0.15%	0.15%	0.19%	0.15%	0.18%	1.02%
Exchange fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	0.37%	0.40%	0.65%	0.94%	1.04%	0.48%	2.01%

13. Unit economics

We understand that with very innovative services, especially on new platforms like Ethereum, the exercise of financial projections and profitability has a high degree of uncertainty. However, the following projections also serve as a way to establish a base financial model and a starting point to measure future performance and metrics. All projections are subject to confirmation with real life experience as the startup executes its strategy.

Expected customer profile:

As explained above in this proposal, Etherplan will cater initially to the existing crypto-community. Between the end of 2017 and 2019 the conservative projection of the expected average customer to use our services will probably start with an initial deposit equivalent \$25,000, save and deposit approximately an additional 5% of that amount every year, and stay on our platform approximately 12.5 years (an 8% estimated wealth management industry churn rate) [16].

Customer profile	2017 - 2019
Initial deposit	25,000.00
Yearly savings	1,250.00
Average portfolio return	8.13%
Churn	8%
Lifetime (years)	12.50
Lifetime savings	14,375.00
Return	54,809.64
Final account value	94,184.64
Lifetime avg account value	58,351.18

With an estimated annualized portfolio return of 8.13%, average customers should be able to accumulate a little more than \$94k by the end of his/her lifetime on our system. This represents a lifetime average account value per customer of more than \$58k.

We think this is a conservative customer profile projection because users will probably tend to accumulate more wealth in the crypto-space and their portfolio returns will likely enjoy higher performance.

Customer acquisition costs (CAC):

To attract the above type of customers to our platform we think it could cost around \$25 per new funded account as compared to an average of \$250 in the traditional industry. If network effects work in the case of Etherplan, we are projecting one customer could attract on average another 9 people to the platform between beneficiaries, friends, trustees and possibly advisors.

CAC	2017	2018	2019
Total visitors	100,000	4,000,000	8,000,000
Cost per visit	0.25	0.25	0.25
Conversion to trial	10%	10%	10%
Conversion to fund acc	10%	10%	10%
Trials	10,000	400,000	800,000
Customers acquired	1,000	40,000	80,000
Marketing spend	25,000	1,000,000	2,000,000
Acquisition cost	25.00	25.00	25.00

This type of marketing investment and strategy will be developed as Etherplan approaches launch period by the end of 2017, but will likely leverage crypto-community channels such as social media (Reddit, Bitcoin.com, etc.), specialized blogs and publications (Coindesk, Coin Market Caps, etc.) and any other effective strategy that may be proved useful at the time (personal presentations at crypto-conferences, corporate direct sales, etc.).

Marketing spend of \$25,000 projected for 2017 is funded by the current proposal, future marketing investment is funded by potential future investors (The DAO or traditional VCs).

Customer lifetime value (CLV):

Given the expected average customer profile above and customer acquisition cost projections, the customer lifetime value is estimated to be \$668.30.

Customer lifetime value	2017	2018	2019
Churn	8%	8%	8%
Lifetime (years)	12.50	12.50	12.50
Discount rate	12%	12%	12%
Lifetime avg account value	58,351.18	58,351.18	58,351.18
Base fee	0.25%	0.25%	0.25%
Revenue	1,823.47	1,823.47	1,823.47
Gross margin	90%	90%	90%
Gross income	1,641.13	1,641.13	1,641.13
PV	693.30	693.30	693.30
CAC	25.00	25.00	25.00
CLV	668.30	668.30	668.30

As expressed before, the figures in our unit economics analysis may be too early to estimate and project, but the exercise may be useful to establish a starting model that we can modify and adapt as real performance figures confirm or change our assumptions.

14. Financial proposal and ROI to The DAO

Milestones:

The following are the milestones for the project for the first 12 to 18 months of operations:

1. Hire 2 engineers
2. Build MVP
3. Research legal and estate planning, adapt smart portfolios as living trusts
4. Setup compliance process
5. Integrate 2 registered investment advisors
6. Integrate 1 global tax advisor firm
7. Integrate social and professional networks
8. Integrate exchanges

-
- 9. Integrate investment products
 - 10. Launch in the second half of 2017!

Proposed investment and budget:

We are kindly seeking a \$1,000,000 investment from The DAO to finance 12 to 18 months of operations. We are using a 33% safety margin to cover potential ETH volatility, unexpected expenses and delays in our proposed milestones.

The following is the use of funds table:

Categories	12 - 18	%
Product	325,000.00	32.67%
Legal, research and compliance	105,000.00	10.56%
Marketing	30,000.00	3.02%
General	143,000.00	14.38%
Employee costs	60,100.00	6.04%
Safety margin	331,550.00	33.33%
TOTAL	994,650.00	100.00%

Etherplan projected revenues 2017 - 2019:

Below is a table with projected revenues of Etherplan of which a portion will be directed to The DAO:

Drivers and revenues	2017	2018	2019
Customers	1,000	40,920	117,646
Avg Customer AUM	25,000.00	25,045.67	25,675.52
Etherplan AUM	25,000,000.00	1,024,868,750.00	3,020,632,151.56
Etherplan base fee	0.25%	0.25%	0.25%
Annual run rate	62,500.00	2,562,171.88	7,551,580.38

AUM: Assets Under Management

Financial terms and return on investment (ROI) to The DAO:

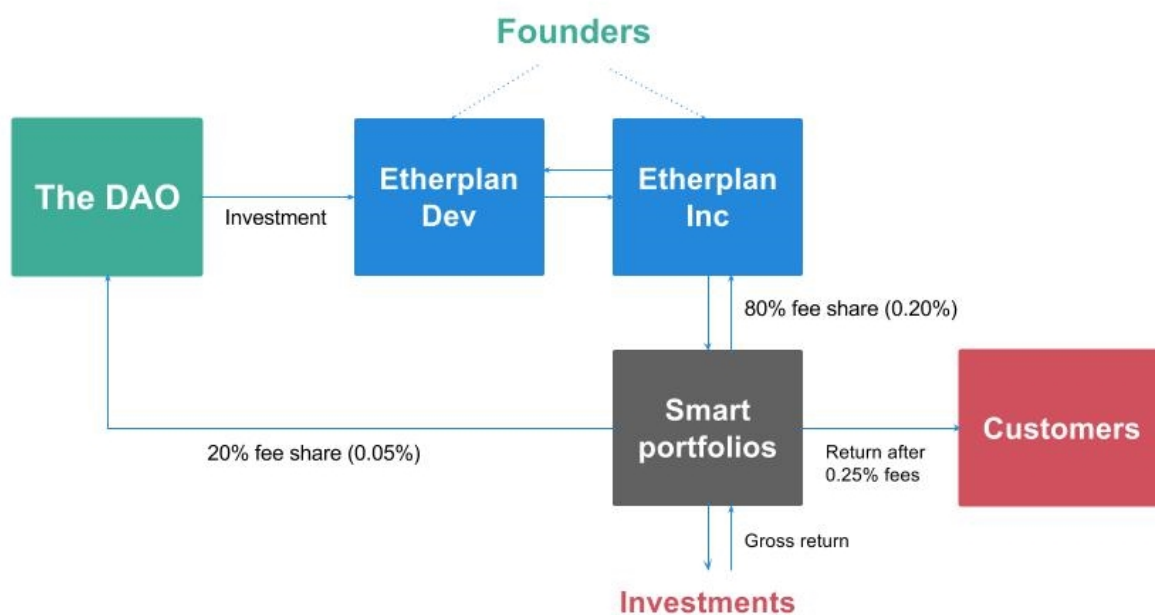
The financial terms are that Etherplan will pay back the investment plus a substantial ROI in fiat currency by having customer smart portfolios pay 20% of fees directly to The DAO until reaching a cap of \$5,000,000.

The following is a table with a ROI to The DAO of 59.46% based on the Etherplan revenue projections above and using an estimated 50% growth rate after the initial 2017 - 2019 period:

Year	Etherplan AUM	Growth	Base fee	Annual run rate	The DAO share	The DAO cash flow
2016	--	--	--	--	--	(1,000,000.00)
2017	25,000,000.00	--	0.25%	62,500.00	20%	12,500.00
2018	1,024,868,750.00	4099%	0.25%	2,562,171.88	20%	512,434.38
2019	3,020,632,151.56	295%	0.25%	7,551,580.38	20%	1,510,316.08
2020	4,530,948,227.34	50%	0.25%	11,327,370.57	20%	2,265,474.11
2021	6,796,422,341.02	50%	0.25%	16,991,055.85	20%	699,275.44
Revenue cap						5,000,000.00
ROI						59.46%

AUM: Assets Under Management

15. Organizational structure



The organizational structure works in the following way:

1. The DAO investment finances Etherplan Dev
2. The above company is a software developer and builds the MVP including smart portfolios
3. During the same period (12 months), legal research is done to license the business to offer the combined investment and estate planning services
4. During the same period, research is done to adapt the smart portfolios so they can be recognized as living trusts in several jurisdictions
5. Etherplan Inc. is created which will be the company to be licensed as a retail financial service provider (Registered Investment Advisor, Broker-dealer, or other)
6. Etherplan Dev signs a licensing agreement with Etherplan Inc. to receive revenues to pay for current and future operations
7. Customer smart portfolios pay directly to The DAO, bypassing Etherplan Inc and Etherplan

Dev, a fee of 20% of revenues as compensation for financing the project
8. The founders own 100% of Etherplan Dev Inc and Etherplan Inc. (founders plus advisors own the founding equity)

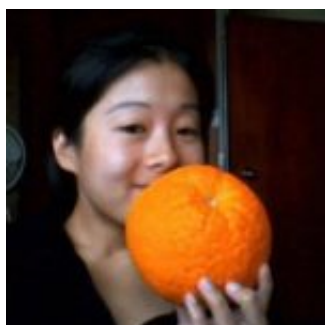
16. Team



[Donald McIntyre](#) - **Founder:** Individual, family, and corporate retirement plan specialist. Co-founder at Access. Founder at Naation, McIntyre S.A., and Dineronet. Previously was a Senior Vice President at Morgan Stanley and Vice President at UBS Securities.



[Nick Szabo](#) - **Advisor:** Blockchain pioneer; coined the term and concept of [smart contracts](#). Product manager, software engineer and architect. Designed [bit gold](#), a Bitcoin precursor.

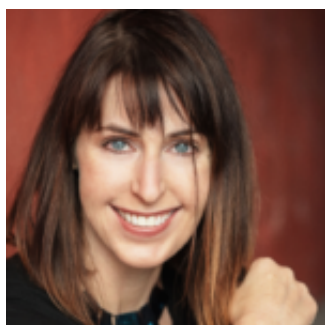


[Elaine Ou](#) - **Advisor:** Was Blockchain Engineer at Abra. Led development of embedded

systems for low-latency interfaces, Australian Stock Exchange. Developed software trading systems using statistical arbitrage. Stanford, PhD, Electrical Engineering. Harvard, MS, Computer Science. Caltech, BS, Electrical Engineering.



[Juan Llanos](#) - **Advisor:** Certified Anti-Money Laundering Specialist (CAMS) since 2003. Over 13 years experience building and managing AML and regulatory compliance programs. Multiple jurisdictions including Canada, United States and Europe.



[Pamela Morgan](#) - **Advisor:** Attorney, educator, entrepreneur, and public speaker. She is a widely respected authority on multi-signature governance and legal innovation using digital currencies. She is the founder and CEO of [Third Key Solutions, LLC](#), a key management and consulting firm that provides operational consulting and security audit preparation for organizations and estate and continuity planning for individuals with large cryptocurrency holdings.

Pamela holds a Juris Doctor degree, Order of the Coif, from Wayne State University Law School and undergraduate degrees in Business Administration with a concentration in Computer Programming and Small Business Management.

17. Trust Minimization and Risk factors

The following are trust issues and risk factors of this venture to consider (possibly also applicable to other projects The DAO would like to invest in at this time) that we would like to debate with the community and The DAO token holders to try to mitigate them as much as possible:

Trust minimization of cash flows: If The DAO cannot be an “owner” of shares of Etherplan (at least yet) once The DAO has invested, how does Etherplan guarantee that the revenues generated by the smart portfolios will be directed to it?

Currency risk: If everything goes as projected, The DAO will obtain a ROI of 59.46% in fiat currency by 2021. The problem arises if The DAO measures their investment in underlying ETH. If the price rises substantially (for example 100% annually in the exercise below to \$448) the result in the same period, but expressed in ETH, will be a negative return of -20.27%.

Year	Cash flow \$	Cash flow ETH	ETH/USD
2016	(1,000,000.00)	(71,428.57)	\$14.00
2017	12,500.00	446.43	\$28.00
2018	512,434.38	9,150.61	\$56.00
2019	1,510,316.08	13,484.96	\$112.00
2020	2,265,474.11	10,113.72	\$224.00
2021	699,275.44	1,560.88	\$448.00
Revenue cap	5,000,000.00	34,756.61	
ROI	59.46%	-20.27%	

Startup revenue delays: If The DAO invests \$1,000,000 in 2016, Etherplan may begin paying back by the second half of 2017 if the project works as estimated. There is a gap of 12 to 18 months between the investment and the first payments back to The DAO. But if cash flows are delayed further this may dilute expected ROI to The DAO considering there is a cap of \$5,000,000.

References

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<https://www.sec.gov/investor/pubs/tplus3.htm>

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Terms

This document does not constitute a formal commercial proposal and is provided "AS IS" and for educational purposes only.

The terms located in the smart contract at address [TBD] on the Ethereum blockchain supersede any undertaking, promise, assurance, statement, representation, warranty or understanding, including but not limited to any and all interpretations of this document.

Signature

This Proposal document purposely omits a signature section as it's provided solely as a convenient plain English interpretation of the smart contract at address [TBD] located on the Ethereum blockchain.

All DAO Token Holders are invited to accept or reject the smart contract at address [TBD] located on the Ethereum blockchain before the expiry of the 14 calendar days debating period, starting from the time of the smart contract submission.

It is The DAO's responsibility to establish whether or not this Proposal document is an accurate representation of the aforementioned smart contract terms.

