

Green Candle Inc.
Proposal Funding Trail and Discussion

All funds used for the operations of Green Candle have come from our own private sources. No funds from the Dash DAO have been used to fund Green Candle operations.

In an effort to gain valuable real world operational data from the masternode network, we set out to test as many different fee structures as were permitted within our initial, self funded budget. The purpose was to work with the masternode owners to determine what their desired fee structure would be for escrow and to clarify what they did and did not want from an escrow provider. We would like to thank the masternode owners for taking the time to engage with us during this initial trial period and we look forward to transitioning into a fully operational and trusted escrow service provider.

Below is an audit trail outlining the payouts for each proposal we provided our escrow services for. It shows the full history of the Dash we received from the DAO and fees charged to proposal owners.

With funding from the DAO, we will create a public, easy to use website where this information will be available. MNOs have requested, however, that we release this information as soon as possible instead of waiting for funding because it is critical for them to have access to all of the facts while they review our proposal and make their final decision.

Dash-GAP (finders fee structure test) - Sept 2017

Conversion of enough Dash to fulfill the \$500,000 USD contractual obligation to the GAP production company. Reserved 4% on proposal for finders fee.

Left over funds remained with GC not contractor.

<http://insight.dashevo.org/insight/address/XdpZiPdEsXxtVWHibxA7USiWZVbXF7UBCh>

2000 Dash enters GAP funding lane

Withdrawals from funding lane

1 Dash - Test Kraken Deposit Address 1

499 Dash - Milestone 1 payment to Kraken Deposit Address 1

1 Dash - Test Kraken Deposit Address 2

499 Dash - Milestone 1 payment to Kraken Deposit Address 2

1000 Dash - POC Masternode (online Sept 11, 2017 -> Sept 21, 2017)

500 Dash - Milestone 2 payment to Kraken Account 1

500 Dash - Milestone 2 payment to Kraken Account 2

395.4928 Dash - Funds coming out of Kraken

TXID:<https://insight.dashevo.org/insight/tx/e9b4e5b03e81f894bf01afc1d08700036a59a3293feacb8819fc5fd09a6e8ada>

Address:

<https://insight.dashevo.org/insight/address/XxYgWYLhCR9VZtFaen6t3ZkDRjSwqPshRb>

1 Dash - Sent to test finders fee wallet

54.8839 Dash - Sent to Mark Mason for finders fee

2.9565 Dash - Swag bought and sent to production company

1.2468 Dash - Sent to Dash Core Member Chuck Williams for travel expenses

5.0 Dash - Proposal fee recovered (Feb 2, 2018, proposal submitted Aug 22, 2017)

Remaining funds in funding lane

330.4055768 Dash left over

<https://insight.dashevo.org/insight/address/XhNQTrH77kmodsGyocfku3zqtYHUknxyLK>

Breakdown of Fund totals: 2000 Dash received in Superblock

Proposal Owner: 1604.5072 Dash converted to USD at avg price of \$311.62 (received 80% of funds)

Finders Fee: 55.8839 Dash paid based of \$20,000 USD based off price on Sept 3rd, 2017 at \$357.885 USD (based off finders fee of 4% of proposal ask)

Finders Fee Reasoning: At the time we were thinking of ways to entice people to do larger proposals so we envisioned a finders fee, for bringing them to escrow, would be a good incentive.

Fee Structure Reasoning: We did not charge a fee for escrow on this proposal because it was the first that we worked on and we saw it as an opportunity to show the network that we were willing and able to help when they needed us.

We proceeded with the proposal and engaged with Deloitte to get their opinion on the best way to manage it from a Canadian tax perspective. This proposal required Dash to be held in escrow, a conversion from Dash to USD, and international USD wire transfers from Canada to the GAP production company in the USA.

After a comprehensive review with Deloitte, it became clear that every proposal we were dealing with would require its own legal opinion. The slightest change in the way the proposal is handled may create different tax implications and long lasting consequences.

It also became evident that the CRA (Canada Revenue Agency) would likely view left over funds inside the funding lane for the GAP as income and that they would be taxable as income. Therefore, we concluded that the most advantageous way for the network to have Green Candle operate is as a not for profit entity inside Canada. This structure would allow the Dash Network to spend the minimal amount of resources on overhead (and taxes) and the maximum amount of resources improving the Dash ecosystem.

General Bytes (zero fee structure test) - October 2017

After completing the conversion of Dash to Fiat in the GAP proposal, we decided to test a proposal with a zero fee structure. This proposal required the escrow of Dash with no conversion. All funds were held in Dash and disseminated to the contractor in Dash without a fiat peg for disbursement.

To date General Bytes is still completing their milestones and the funds for milestone 3 (InstantSend operation on all products) will remain in trust until it is completed. GB is approximately 2 months behind in delivering this milestone. They have been in good communication with us during this delay we are look forward to development concluding soon. The remaining 90 Dash will remain in trust and will not be released to GB until we confirm completion of the final milestone.

A couple of take-aways from this specific test. For a zero fee structure to work, the escrow service provider requires funding from an outside source to scale. Something that also became clear from this experience was that proposals that denominate only in Dash stands to benefit the contractor as the value of Dash rises. Contractor asked for \$50,000 USD worth of Dash (rate used on 2017-10-26) but by the time they will receive and complete their milestones they will have received \$100,000 USD.

<https://insight.dashevo.org/insight/address/XeNoyvD4VnSvLBQekPHvUSpFfAFdxJ3Cqm>

180 Dash enters funding lane

(60 Superblock Nov 2, 60 Superblock Dec 3, 60 Superblock Jan 2)

GB Clean funding address:

<https://insight.dashevo.org/insight/address/XjkCKfBoCNgSZw6tyjJzC86RNiCWDwfYfQ>

90 Dash - Milestone 1 payment to GB

Remaining funds:

30 Dash -

<https://insight.dashevo.org/insight/address/XvQuRTnEUvBdgeUUn7a4N4mxXRWgTyCG8q>

60 Dash -

<https://insight.dashevo.org/insight/address/XeNoyvD4VnSvLBQekPHvUSpFfAFdxJ3Cqm>

Dash Aerosports (usd pegged 30 DMA fee structure test) - November 2017

The results from the projects in September and October were valuable so we were eager to begin our 3rd test, a USD pegged 30 DMA fee structure. Both the escrow provider and the contractor denominated their fees based on a fiat peg for this value. Dash Aerosports pegged costs at \$96,050 USD and we pegged our costs at \$5,000 USD. Disbursements would be made based off these fiat pegs using the 30 DMA value of Dash during the middle of the funding cycle day 15 of the month.

In this test, having the escrow provider denominated their fees in Fiat may be viewed as generous compensation for the services required. Conversely, having the proposal owners milestones denominated in Fiat protects the treasury by preventing excess Dash from being released. Under this fee structure, the escrow service provider is arguably paid more to hold the extra Dash in trust for the network when the market value rises.

These findings led us to begin exploring the concepts of micro proposals and micro donations in our quest to satisfy MNOs questions about what to do with the remaining funds held in trust. This test could be used as the basis to create either a self funding escrow provider or to create a positive feedback loop within the micro proposal and micro donation ecosystems.

At this time we are reviewing the final milestone to make the last payout and we will have funds remaining in trust. This means that in test case the networks' funds were protected by the escrow service provider as the value of Dash rose. The MNOs will decide to continue funding Dash Aerosports from the remaining funds in this lane or not. Once the final payment is made to the contractor, Green Candle will publicize the remaining funds to the MNOs and await their decision. The submission of a new proposal asking if the MNOs want to extend funding would provide a definitive answer and enable Green Candle to release additional funds accordingly.

The following formula was used as a template:

$$\$96,050 / 30 \text{ DMA} = \text{TBD on Month 15th, 20XX}$$

$$\$5,000 / 30 \text{ DMA} = \text{TBD on Month 15th, 20XX}$$

<https://insight.dashevo.org/insight/address/XgiNSgftVNrNF5WbGzSqrRdh81tuAuqAtT>

1366 Dash enters funding lane from Superblock

Month 1 Formula:

Month 1: $\$96,050 / 297 = 323.40$ Dash to Dash Aerosports

Month 1: $\$5,000 / 297 = 16.84$ Dash to Green Candle

Fund Breakdown

1 Dash - Test Dash Aerosports Deposit Address

322.40 Dash - Month 1 Milestone completion

1 Dash - Test Green Candle Fee Address

15.84 Dash - Month 1 Escrow Fees

1025.76 Dash - Left from in funding lane after Month 1

1000 Dash - POC Masternode (Online Dec 6th -> Feb 2nd)

25.76 Dash - Left in funding lane

1000 Dash - Returned to funding lane

<https://insight.dashevo.org/insight/tx/89291f2cebe0fb2877fb623af990e00536c922c9d60ee8dc7a7c02e30b830a09>

1025.76 Dash - Left in funding lane after Month 1

Month 2: $\$96,050 / 683.08 = 140.6131$ Dash to Dash Aerosports

Month 2: $\$5,000 / 683.08 = 7.3198$ Dash to Green Candle

140.6131 Dash - Month 2 Milestone completion

7.3198 Dash - Month 2 Escrow Fees

877.8271 Dash - Left in funding lane after Month 2

Month 3: $\$96,050 / 1193.50 = 80.6452$ Dash to Dash Aerosports

Month 3: $\$5,000 / 1193.50 = 4.1894$ Dash to Green Candle

80.6452 Dash - Month 3 Milestone completion

4.1894 Dash to Green Candle

792.9925 Dash - Left in funding lane

5 Dash - Proposal fee recovered (Feb 2, 2018, proposal submitted Nov 24, 2017)

787.9925 Dash - Left in funding lane after Month 3

<https://insight.dashevo.org/insight/address/Xm81966qowSAYRMc6VGRvgkfGXuYpbx4qE>

28.3492 Dash - Fees collected for Dash Aerosports proposal

<https://insight.dashevo.org/insight/address/XuNHQFgZEJcF32RcG7gxKPbqXc7wCLCRmU>

**Dash for the Belt (30 DMA fiat peg for contractor, Dash fee for escrow provider) -
December 2017**

After reviewing the Dash Aerosports proposal we concluded that the formula used was sufficient to protect the Dash network but over compensated the escrow provider. For this reason we created the fourth fee test. This test involved using the fiat peg for the contractor and a flat Dash fee for the escrow provider. A 3 Dash escrow fee was used during this test.

This proposal required the escrow of Dash with no conversion. In this test the flat fee for the escrow services provided was adequate to cover expenses. The contractor was satisfied to receive the exact amount of Dash as agreed to in the MOU upon completion of the deliverables. In this test the rising or declining value of Dash is the sole concern of the contractor. This means the contractor benefits when the value of Dash rises or suffers the loss if it declines. A 30 DMA was used to try to help address this variance for the contractor.

<https://insight.dashevo.org/insight/address/XfPLMXRrkHQsWbFdWaMTKbTmxA6SdZsRrT>

330 Dash enters funding lane from Superblock

- 1 Dash - Test Rory Deposit Address
- 319 Dash - MOU Completion
- 5 Dash - Proposal Fee
- 3 Dash - Escrow Fee
- 2 Dash - Swag Fee

Colibit (flat dash price and flat dash fee structure test 2) - January 2018

This proposal required the escrow of Dash with no conversion. The markets were volatile so we opted to test a fee structure pegged at a USD value of \$1000.00 per Dash. This proposal required two months to pass therefore two proposal fees were removed 5.01 for the first month and 5.01 for the second month. An escrow fee structure was tested as a flat 3 Dash fee.

This proposal has several months remaining and we look forward to providing updates and to sharing the results with the community.

<https://insight.dashevo.org/insight/address/XgTX5hkdc4Sq6rQhgbN2nYYyMQ4TsqoyRV>

74.02 Dash enters funding lane from Superblock

10.02 Dash - Proposal fee recovered from v1 and v2 proposal

3 Dash - Escrow Fee

61 Dash - Left in funding lane after fees have been removed

10 Dash - Fund giveaway post integration completion

51 Dash - Development fund remaining

1.7 Dash - Infrastructure payment to get started

7.55 Dash - First month MOU obligation

41.75 Dash - Left in funding lane after first month.

<https://insight.dashevo.org/insight/address/XfTficJ3GdrfQDX6VZKQ54eQ3CUxygWpNc>

Dash Boost (flat dash price and dash fee structure test 3) - January 2018

Similar to Colibit, this proposal required the escrow of Dash with no conversion. Again, the fee structure was pegged at a USD value of \$1000.00 per Dash. An escrow fee structure was tested as a flat 3 Dash fee.

As with Colibit, this proposal also has several months remaining and we look forward to providing updates and to sharing the results at the appropriate times.

<https://insight.dashevo.org/insight/address/XsRjdLMK1QWGjTLN4XGPMMjpZPiwLwZZnE>

158.01 Dash enters funding lane from Superblock

5.01 Dash - Proposal fee recovered

3 Dash - Escrow fee

150 Dash - Left in funding lane after fees have been removed

25 Dash - First month MOU obligation

125 Dash - Remain in funding lane after first month

<https://insight.dashevo.org/insight/address/Xb9QfmCiWsUtBXHLVPFvBnkh6ZPAABF3a3>

Summary

To summarize, Green Candle holds the following assets in trust for the Dash network:

330.4055768 Dash - remaining funds from GAP

<https://insight.dashevo.org/insight/address/XhNQTrH77kmodsGyocfku3zqtYHUknxyLK>

30 Dash - remaining funds from GB

<https://insight.dashevo.org/insight/address/XvQuRTnEUvBdgeUUn7a4N4mxXRWgTyCG8q>

60 Dash - remaining funds from GB

<https://insight.dashevo.org/insight/address/XeNoyvD4VnSvLBQekPHvUSpFfAFdxJ3Cqm>

787.9925 Dash - Left in funding lane after Month 3

<https://insight.dashevo.org/insight/address/Xm81966qowSAYRMc6VGRvgkfGXuYpbx4qE>

28.3492 Dash - Fees collected for Dash Aerosports proposal

<https://insight.dashevo.org/insight/address/XuNHQFgZEJcF32RcG7gxKPbqXc7wCLCRmU>

10 Dash - Left for Colibit giveaway

<https://insight.dashevo.org/insight/address/XuHCnjtHGgcLk3r2uwSmP52bxT42zUJ67J>

41.75 Dash - Left in funding lane after first month.

<https://insight.dashevo.org/insight/address/XfTficJ3GdrfQDX6VZKQ54eQ3CUxygWpNc>

125 Dash - Remain in funding lane after first month

<https://insight.dashevo.org/insight/address/Xb9QfmCiWsUtBXHLVPFvBnkh6ZPAABF3a3>

Masternode rewards earned:

<http://insight.dashevo.org/insight/address/XxXaoFrYDY7fdYZ1SWYTRCRBigX6Jx1kZD>

Escrow fees collected:

<https://insight.dashevo.org/insight/address/XuNHQFgZEJcF32RcG7gxKPbqXc7wCLCRmU>

<https://insight.dashevo.org/insight/address/Xsfb8bRDNiJ6P1HN5hGixY8dzv18DgRDz>