

EXPRESS REVIEW OF ICO PROJECT

Layer Protocol

layerprotocol.com

ICO: Q3 2018

HIGH

Quality Rate

AVERAGE SCORE

5.0 / 7.0

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The DigRate team expresses its respect to all enthusiasts of the cryptocurrency world.

<p>PROJECT CONCEPT</p> <p>TEAM</p> <p>TOKENS</p> <p>PROJECT SUPPORT</p>	
<p>BUSINESS MODEL</p> <p>THE TECH</p> <p>COMMUNICATION</p>	



Whitepaper
 KYC / Whitelist
 Terms and Conditions
 Token Sale Agreement
 Privacy Policy



ICO dates	Q3 2018
Token	LRX
Price	0.015 USD
Bonus	Up to 20%
Soft cap / Hard Cap	- / \$15M
Platform	Ethereum
Accepted	-

CONCLUSION: The early entry of the Layer Protocol to the market and the absence of direct competitors give the project a serious head start. The project can be successful in a couple of years, thanks to a strong team and a growing partner network. Close cooperation with the Origin Protocol and the popularity of sharing economy are essential for Layer's success. The probability of obtaining income via investments in the short term is low.

Reputation is siloed in individual companies and in geographically centralized and non-transparent entities such as credit bureaus. The sharing economy is poised to hit \$40B in revenues, driven by carshare, rideshare, bikeshare, and vacation rental. Irresponsible users increase the cost of providing services and hinders the sharing economy.

Layer is a complete protocol built on the blockchain that gives sharing economy platforms and their users a universal, decentralized reputation system. Layer Protocol will create a truly borderless reputation and incentive system to unify sharing economy companies around the world.

Layer Protocol offers the following:

- a reputation system that enables sharing economy providers to contribute to and pull ratings of borrowers;
- rapid adoption through the growing Spin ecosystem and strategic partnerships;
- LRX, a token that provides the economic incentive for scalable computation of reputation scores through master nodes, encourages adoption of the protocol, and drives community governance.

Criterion	Score
PROJECT CONCEPT	
Does the problem the project plans to solve really exist?	
Is the company's product unique and monetized in the market?	6.0 / 7.0
Has the team identified its competitors and its advantages over them?	
Is the project's solution significantly different from existing solutions?	
BUSINESS MODEL	
Has the project laid out its operating business model?	4.9 / 7.0
Is there a clear roadmap?	
Has the team presented a detailed financial plan for revenues and expenses?	
THE TECH	
Is blockchain technology a solution to the market problem?	3.5 / 7.0
Is there already a working product?	
Has a safety audit of the source code been provided?	

Criterion	Score
TEAM	
Have the project founders already implemented a similar successful business?	
Are the project founders well-known, with established reputations in their professional fields and/or in the blockchain field?	6.3 / 7.0
Does the project team have enough experience to implement the project?	
TOKENS	
Is the issuance of tokens limited?	
Is there mechanism that would protect current holders from token devaluation?	6.0 / 7.0
Do the project participants have clear motivation for owning the tokens?	
PROJECT SUPPORT	
Do the competencies and experience of the advisory board members meet the project goals?	
Are the project's partners large and well-known?	6.6 / 7.0
COMMUNICATION	
Is the project popular on social networks and in thematic communities?	
Is the project widely discussed on blockchain news resources?	2.0 / 7.0

How do we rate the quality of the project?



ADVANTAGES

- Blockchain technology is necessary for the project.
- There is a clear roadmap.
- The legal structure of the company is transparent.
- The founders and leaders of the project are recognized professionals in their fields and in the blockchain industry.
- The project has a strong advisory board.
- The project's partners are large and well-known.
- The project founders have experience of implementing a successful business in the project field.

HIGH

Quality Rate



DISADVANTAGES

- Marketing activity of the project is low.
- There is no detailed description of the business model of the project.
- The project is not popular on social networks and in thematic communities.
- The project is not widely discussed on blockchain news resources.
- The team does not have a working product.

Layer Protocol founders have experience in Lyft, Kicksend, Microsoft, Disqus, as well as launching startups with funding from YCombinator, Facebook and Amazon Alumni.

[Layer Protocol](#) is a global system of reputation evaluation in the sharing economy. Users will receive LRX for taking care of things when renting them and using tokens to pay for the next lease, for example, an apartment. The Layer Protocol system can be integrated into any rental platform to exchange data on the quality of service and reliability of the tenant.

Layer Protocol is developed by [Spin](#) company, the founders of which have experience in Lyft, Kicksend, Microsoft, Disqus, as well as launching startups with funding from YCombinator, Facebook and Amazon Alumni. The Spin team raised \$ 8 million in 2017 from VC funds Grishin Robotics and ChinaRock to build a "smart" bicycle, scooter and electric motorcycle rental network in the US market. Now the Spin network has about 650,000 users and 30,000 vehicles. Spin will be the first platform that integrates the Layer protocol. Then any service for renting electric vehicles, housing, batteries and other benefits of the sharing economy will be able to connect the reward system.

Whitepaper, roadmap, details and conditions of participation in Private Sale are not available yet, but this did not stop DigRate analysts to get information privately.

The project is advised by the founder of Ink Protocol (a similar reputation system, but for trade) and the founders of Origin Protocol (a platform for creating markets for the sharing economy).

Ink Protocol attracted \$ 15 million during ICO in January 2018, the ROI is 0.41x. Origin Protocol is in preparation for ICO.

The website identifies 2 VC funds – Grishin Robotics and ChinaRock – which invested in Spin at the stage of the series A.

The project is at an early stage of development and preparation for PreICO (ICO). Whitepaper, roadmap, details and conditions of participation in Private Sale are not available yet, but this did not stop DigRate analysts to get information privately: [bonuses for investors](#) at the stage of Private Sale are 20%, the blocking timing of bonus tokens is 3 months, and the minimum investment threshold depends on the closing speed of the stage. [Hardcap - \\$ 15 million](#), 40% of LRX are for sale, the total amount of tokens - 1 billion LRX. The price for 1 LRX at the ICO stage will be \$ 0.015, based on the calculations.

Close cooperation with the Origin Protocol and the popularity of sharing economy are essential for Layer's success.

Token distribution: 15% of tokens are for partner reserve, nodes and community development. 15% - for the team and advisers with the blocking of tokens for more than 2 years. The remaining 30% is the reserve of the company for the development of the team, building a network of partners, etc. There is no Layer Protocol's MVP in public access. The launch of Testnet is scheduled for the third quarter of 2018. The complete readiness of the protocol is scheduled for the first quarter of 2019. A comprehensive safety audit of the smart contracts and source code will be conducted by Quantstamp.

Similar competition projects are not found.

The early entry of the Layer Protocol to the market and the absence of direct competitors give the project a serious head start. The project can be successful in a couple of years, thanks to a strong team and a growing partner network. Close cooperation with the Origin Protocol and the popularity of sharing economy are essential for Layer's success. The probability of obtaining income via investments in the short term is low.

**What is important
to improve?**

High-priority tasks:

- submit a product prototype
- describe in detail the business model of the project
- actively market on social networks, thematic communities and blockchain news resources
- publish the source code of the project on GitHub

**What information
should be added?**

More information is required about:

- the experience and achievements of team members
- the terms of the token sale
- legal support for the project and the work carried out in the legal field

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