



White Paper

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Loot NFT Co LLC, WY, USA
A member of the Wyoming
Auctioneers Association.
Patent Pending, USPTO 63/173,415.
White Paper, Version 1.16, May 2021.

www.lootnft.io info@lootnft.io
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NOTICE TO MEMBERS: (1) Bid units (BUNs) will not be listed by Loot NFT Co LLC, or any of its officers, agents, affiliates, assigns, and employees on any secondary marketplaces. We will not support nor participate at any token indexing sites, such as coinmarketcap.com; we will not trade BUNs at any exchange. While BUNs are cryptographic tokens issued on the Cardano blockchain (BUN) and LNFTxHABN (M-BUN) and can be secured in the custody of their owners, their intended use are solely for consumption as bidding vouchers (or credits) in auctions for non-fungible tokens (NFTs) or to redeem for member services and benefits at the Loot NFT website (lootnft.io). (2) Loot NFT introduces game mechanics that are untested and should be treated as an experiment. Member's behavioral responses could be different from what we expect. (3) The use of BUNs or NFTs are subject to our terms and are not, and should not be treated as financial products, or assets with an expectation of profit.

Battle Bidding For NFTs



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1,440,550 ₪

live for 17 hours
01:00:59 left

+ Watchlist

THE 01
By Shubham Hanuman
Set Name **Breathe**

R

P

A rebirth following the COVID era. Let us not forget our fallen and that for a time, what makes us human, our touch and embrace were the carriers of death.

—

Artist Link. Verify Provenance. Legal

—

Latest bid by @billbridget

The Battle Pit

- @billbridget
- @jeanflorian3333
- @bitcoinguyff **BID BOT**
- @bit_bot
- @billbridget
- @jeanflorian
- @bitcoinguyfgg **BID BOT**
- @bit_bot
- @billbridget
- @jeanflorianvbgdd
- @bitcoinguy1123 **BID BOT**
- @bit_bot

BID NOW

SET BID BOT

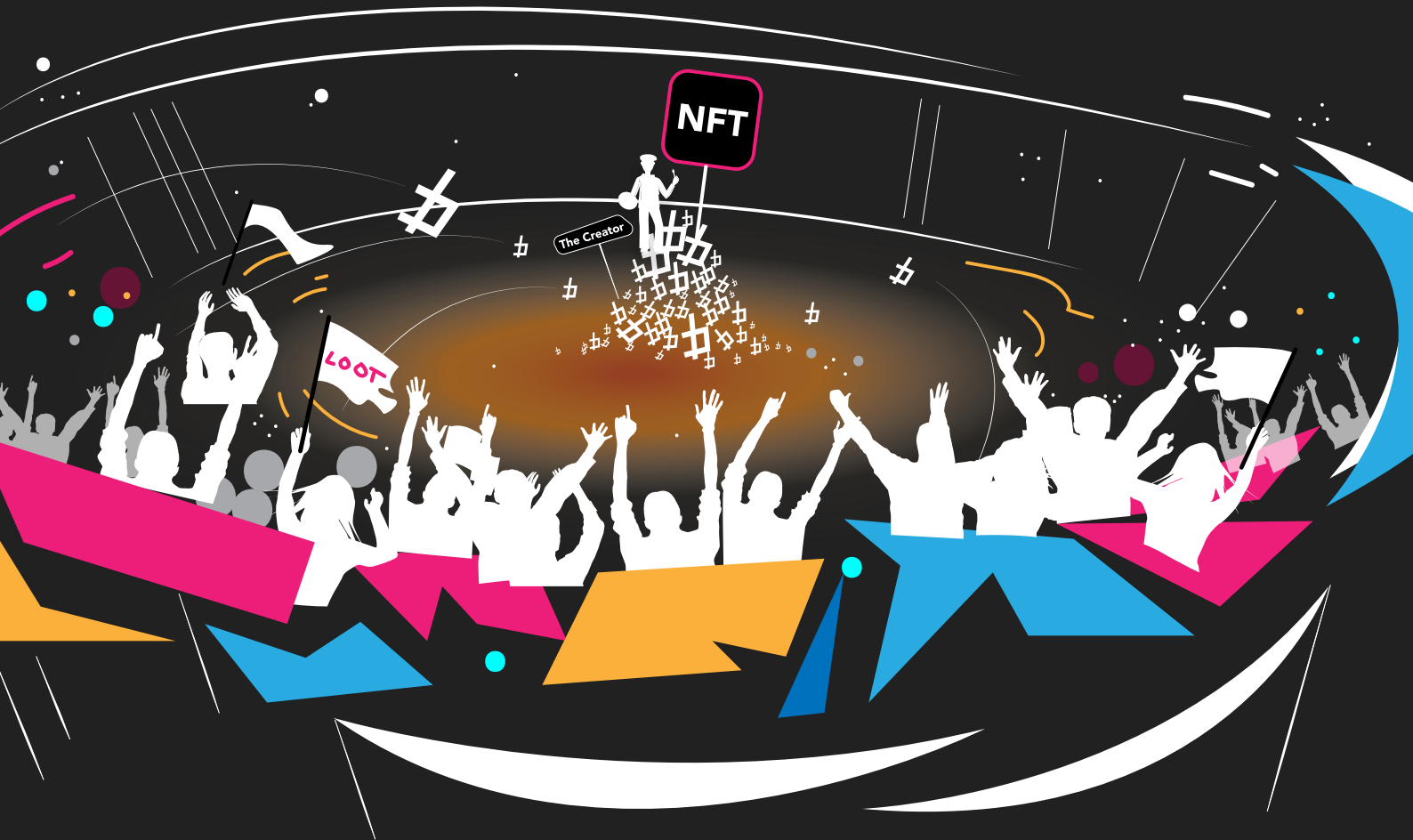
Auction Balance: 200,000 ₪

BUN

CLEAR

ALLOCATE

We created a new
kind of auction.



Experience the arena and the
world's first NFT talent show.

Fact Sheet

Company	Loot NFT Co LLC
Token Name	Bid Units (BUN or BUNs)
Blockchains	Cardano, LNFTxHABN
Total Supply	500,000,000 BUNs, Fixed
Team Allocation, Reserves	None
Token Use	A unit to bid at auctions and redeem for services.
BUN Cost	Fixed at 0.20 USDC
Purchase Currency	USDC only
NFT Minting Details	Minted on LNFTxHABN and transferrable to other blockchains.

Activity Description

A gamified auction platform, where members bid in auctions for non-fungible tokens (NFTs). Auctions are time-limited, pay-to-bid, and in a battle bidding style (i.e., members bid one BUN at a time and a bid received in the last 15 seconds resets the auction timer back to 15 seconds). Each NFT embodies a one of one original creation (i.e., digital or digital and physical) by a creator, and grants ownership to the member that wins it at auction. Other than during the early-bird registration period, membership is by invitation only. Loot NFT aims to move from a centralized architecture to a decentralized autonomous organization.

Launch Details

Early birds must whitelist their email addresses at lootnft.io before 30 June 2021. People that have whitelisted their email addresses before: (a) 30 May 2021, can sign up between 1-7 June 2021; (b) 6 June 2021, can sign up between 7-30 June; and (c) 30 June 2021, can sign up at any time in the future (however, some early-bird benefits are eligible with sign up between 1-10 July 2021).

The Bid Units (BUNs)

BUNs were minted on the Cardano blockchain and LNFTxHABN permissioned blockchain with Loot NFT acting as sole custodian. Thus, at launch, BUNs on Loot NFT are virtual tokens in a database, also referred to as IOUs. Approximately after October 2021, members will be able to send and deposit BUNs to and from their custody.



A Message from the Co-Founders

WE'RE DIE HARD CRYPTO FANS.

James is an early bitcoin adopter who has been involved in several blockchain projects and initiatives since early 2014. Suyash architected and built the Horizon Africa Blockchain (HABN) in 2018, and Lance is the founder of Loot Pool, a Top 5 Cardano staking pool. Shubham is a talented artist and host of Canvas Stories.

We all share a passion for experiencing the work of talented people, irrespective of where they are from. We have come together and put our best foot forward with Loot NFT to offer a novel path for creators, known and unknown, to achieve commercial success.

This is done by providing a gamified environment in which our members compete to own non-fungible tokens (NFTs) embodying the unique creations we commission.

Although we are a startup, we are not attempting to raise capital. Our product is operational and we have no team token allocations or reserves. All tokens are available to be purchased from day one and recirculate elegantly within our ecosystem providing value to all.

This document aims to take you on a journey to discover Loot NFT with radical transparency. The FAQs at the end of this document will be able to answer any remaining queries.

We invite you to join our Telegram group (@lootnft) where you can chat with each of us.



James Duchenne
Acting CEO



Lance Baker
COO



Suyash Sumaroo
CTO



Shubham Hanuman
Head of Creations

The Bakers

LOOT POOL

Loot Pool, founded by Lance Baker, is a Cardano staking pool that is currently ranked in the Top 5 for the highest return-on-stake (ROS) among all pools with a pledge of more than 250,000 ADA. The Cardano Foundation selected Loot Pool in its first round of staking using a strict selection criterion. Its team has developed numerous web, mobile, and gaming applications over the past 20 years that have generated tens of millions of dollars in revenue globally. www.lootpool.io

CodeVigor

A tech company founded by Suyash Sumaroo in 2014 specializing in Blockchain technology with the focus on using disruption to bring about innovation in various fields. www.codevigor.com

#HUSTLEMANIA

A collaborative research project started in 2020 between CodeVigor and the XTM Agency combining the use of BUNs in countdown-based auctions to assess market research opportunities for retailers and user engagement. www.hustlemania.app

DUCORP XTM

A young family investment company co-founded by James Duchenne with a funding arm that invests in seed stage technology and modern services ventures. Its portfolio includes several innovative ventures, and the XTM Agency, its VC platform service, designed Loot NFT from the ground up. Ducorp XTM's motto is "Truth First" and focuses on running business with radical transparency and family values. www.ducorp.co

HABN

HABN is a validator-as-a-service (VASS) that enables businesses to build their own permissioned blockchain gateways with high transactional throughput and fixed pricing. LNFT, Ducorp XTM, and CodeVigor are HABN validators. www.horizonafrika.io and www.habn.io

About CARDANO

A proof-of-stake blockchain platform: the first to be founded on peer-reviewed research and developed through evidence-based methods. It combines pioneering technologies to provide unparalleled security and sustainability to decentralized applications, systems, and societies. www.cardano.org

Product Overview

Loot NFT is a gamified auction platform where members bid for NFTs using BUNs, a token of limited supply (only 500,000,000 will ever be issued). Membership is by invitation only outside of the early bird registrations ending 30 June 2021.

Each NFT commissioned from creators is unique (i.e., one of one) and part of themed set of 5.

Members receive degrees (i.e., status badges giving rewards) by collecting NFTs in a set. The goal is to get to the 5th degree.

A full NFT set collected unlocks a jaw-dropping mystery gift.

All auctions are time-limited and occur in a pay-to-bid manner where members bid one BUN at a time in the auction arena. If a bid is received in the last 15 seconds, the timer resets back to 15 seconds. The last member to bid when the timer expires gets the NFT. Thus, auctions could last hours or days, and is termed battle-bidding.

Each BUN spent is directed to a time-locked wallet called the Oven which empties BUNs back into the ecosystem once a week on Sunday (e.g., 20% as rewards to members and 80% to Loot NFT for resale to members). However, BUNs bid in auctions are trapped until the auction concludes, at which time BUNs collected for that auction are sent to the Oven.

Since BUNs are limited in number, when they are spent, their circulating supply decrease, meaning that members must bid very strategically.

In multiple live auction scenarios, it is possible that all BUNs, except a few, are left in circulation (i.e., all other members are spectators). Therefore, the remaining members holding BUNs can win the NFT. Members can re-list NFTs they have won for auction and get paid in USDC; BUNs are accounting units used to assess the USDC value of the sold NFT.

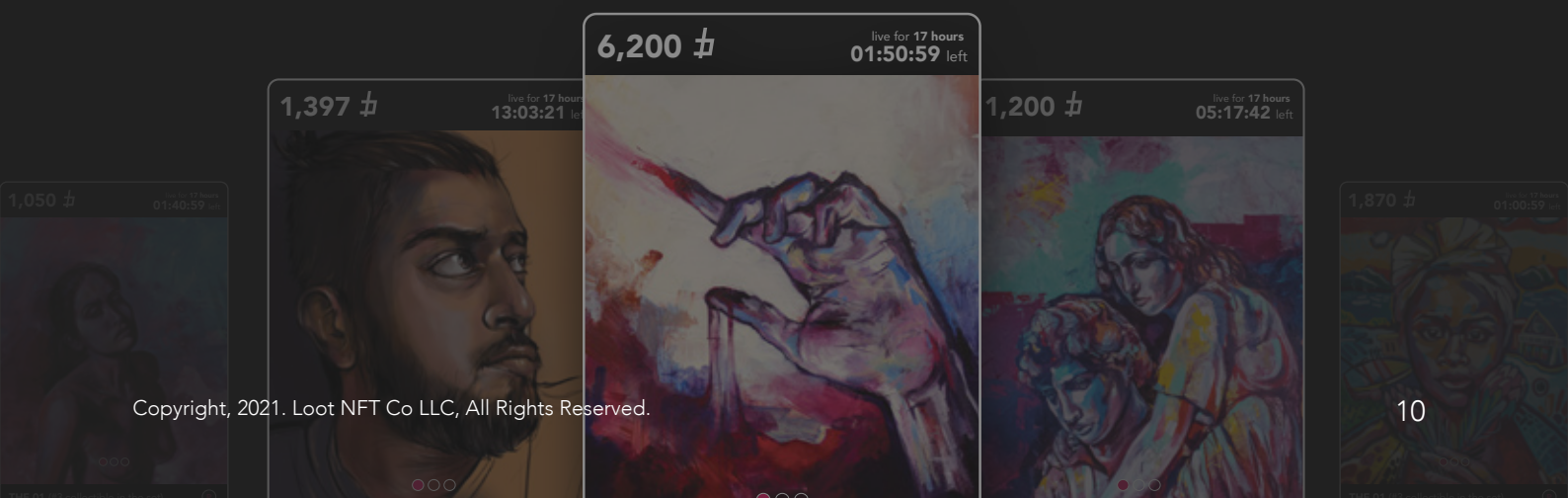
Members holding NFTs in a set to achieve a degree or get a mystery gift create a de-facto NFT staking reducing the availability of NFTs at auctions. Once achieved a degree cannot be lost. Therefore, members can resell NFTs that they previously used to get degrees.

The BUN is a blockchain-based token minted on the LNFTxHABN permissioned blockchain environment and the Cardano blockchain. In the future, Loot NFT intends to use a bi-directional bridge between both blockchains to decentralize the modules of its ecosystem to create a decentralized autonomous organization.

BUNs are sold in packs of 25 for 5 USDC; later, they are expected to be sold for ADA, Cardano's blockchain native currency.



WHAT WE ARE SOLVING



1.

Quality and Uniqueness

Creations that can prove provenance, uniqueness, and a grant by creators to list for auction are more attractive than items without those traits.

We guide creators by commissioning original work as part of a themed set of 5. Each creation in the set is unique and cannot be reproduced by the creator for commercial gain.

2.

Noise

Auction houses that allow anyone to create and list NFTs can be flooded with worthless NFTs.

Talented, yet unknown, creators must compete for attention, although they may be getting some temporary access to a new purchaser class in the crypto nouveau riche.

However, they are likely to drown in the noise if they do not have a strong brand. The attention of our members are directed to amazing creations as they battle to own them in auctions. In addition, for members wanting to climb the status ladder, collecting an NFT set is similar to a card game; instead of cards, they are NFTs.

This combination fuels price discovery of NFTs and provides an alternative to the traditional creator's path to recognition involving marketers, critics, gallerists, and valuers. This is the world's first NFT talent show.

3.

Management of Creations

Owning an NFT means the ownership of the underlying creation it embodies, whether digital or digital and physical. This causes the following two issues in relation to physical creations:

(1) There are no guarantees that the owner of an NFT linked to a physical creation will transfer the latter in a subsequent transfer of that NFT, causing a split.

(2) If the physical creation is transferred, how does the ultimate owner ensure it is not a fake? It has been suggested the physical creation be burned. We, however, do not think that is a viable option.

Further, NFTs can be difficult for people to understand due to the management of crypto addresses, transfer fees, etc.

We created Loot Vault, a secure facility, to manage the custody of NFTs and house physical creations while NFTs are within our ecosystem.

4.

Payments

We pay creators and resellers proceeds from their auctions, less our fees.

Since our approach is global, it is time-consuming and costly to deal with the traditional banking system, especially when providing payment to creators in hard-to-reach places.

Hence, we are a 100% crypto-only site where all sales and payments are performed in USDC. We intend to migrate from USDC to ADA in the future.

5.

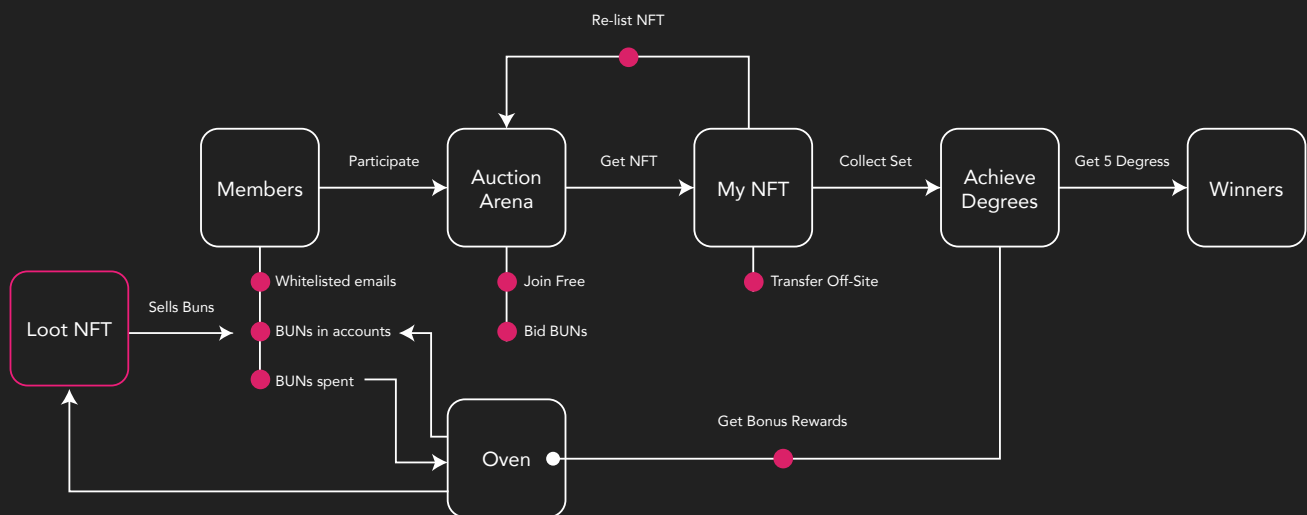
Wealthy Takes All

In traditional auctions, the wealthy can outbid any bidder. This is mainly because of the following:

- (a) The currency used in bids is inflationary and more can be created (i.e., fiat, Quibid bids, etc.).
- (b) Bids generally require the winner to pay the purchase price won, which can price out bidders.

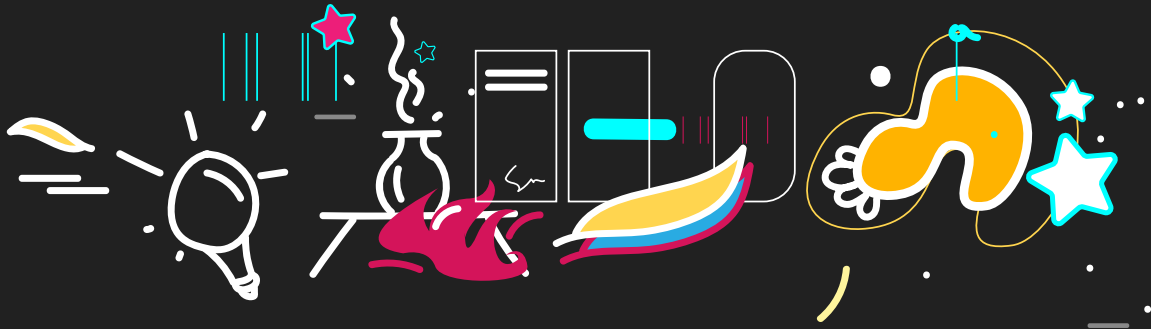
Our token supply and the amount of tokens members can have in their accounts are capped. Members consume one bid at a time in a pay-to-bid manner which significantly reduces purchasing power disparity.

The Simple Building Blocks



- Members buy BUNs to use in auctions and redeem for services.
- BUNs spent are sent to the Oven to be distributed back to the Loot NFT ecosystem every Sunday.
- Members that win an NFT can re-list them for auction, hold them to achieve degrees or transfer them to their own custody (off-site).
- Members that achieve 5 degrees complete the Loot NFT challenge.

Innovation and Precision Engineering



The manner in which we combine the BUN and the Oven in a gamified environment is as unique as the NFTs we list. Our evolution to implement a bi-directional bridge between the LNFTxHABN and Cardano blockchains mapping to our specific use case builds on innovation in the decentralized autonomous organizations (DAOs) field.

Some of the innovative features of Loot NFT are as follows:

Self-Regulating Exclusive Club

The BUN is used to prove active membership and to invite new members.

Fungible Tokens (BUNs, M-BUNs, and BUN IOUs)

BUNs (centralized database units), M-BUNs (minted on LNFTxHABN permissioned blockchain), and BUNs (minted on the Cardano blockchain) work in symbiosis with one another to perform different functions.

Non-Fungible Tokens (NFTs)

NFTs are minted on LNFTxHABN. When a member requests to transfer it out of our custody (burn them on LNFTxHABN), we mint it on their blockchain of choice (subject to availability) and transfer it to them. Being limited to one blockchain is not necessary.

Lock-Up and Staking Scenarios

The Oven traps BUNs which are temporarily removed from circulation. NFTs held to receive rewards could also cause limited re-listings.

NFT Price Discovery

NFTs have value both in their own rights and as part of a set being collected. Hence, it is possible for unknown creators to have their creations generate higher engagement at auction on Loot NFT than at other auction houses. This builds a brand for them.

Games within a Game

The auction battle is a game of skill and strategy, as is collecting NFTs in a set. For more information see the **A Member's Guide** booklet.

Paywall

We introduced a **paywall** for each new NFT listed for auction that increases over time; this seeds auctions with participants early.

Innovation and Precision Engineering

Custody

We have developed our own logistics management process for handling physical creations, which includes their custody in an underground secure vault.

Escrows

We ensure members only spend the amount of BUNs they are willing to bid at auctions by requesting they enter an escrowed amount for each auction.

Payments

We are able to be paid and pay out without interacting with the traditional banking system.

Fake Accounts

We require Know-Your-Customer (KYC) for any payments we make to members or for any off-site transfers they make. We also impose a BUN cap on members' accounts. This defeats the purpose of creating fake accounts.

Smart Contracts

LNFTxHABN and Cardano smart contracts are expected to mesh to create a Loot NFT DAO. Some activities are not suited to be run on a public blockchain (such as, bidding one BUN at a time with a low BUN value) and could cause blockchain bloating, and be commercially prohibitive. For these, we intend to use the LNFTxHABN permissioned environment.

A Grand Experiment

Our experiment is an attempt at proving our theory that we can create an enduring business (for as long as the blockchain on which it rides, lives on), and a new exit strategy by meshing human incentives with technology to form a quasi-natural resource.



Product Details

[illegible]

Product Details

Exclusivity

After 30 June 2021, anyone must be invited by a member to join. Members must spend 1 BUN (currently) to invite someone and have at least 1 BUN in their account at the time their invitee signs up. For more information, consult the FAQs and “Timeline” document.

If we do not have any BUNs (our balance is at less than 1 pack, i.e., 25 BUNs), those without BUNs in their accounts cannot log in (this includes new members). They have to wait until BUNs recirculate back to us from the Oven.

Battle Bidding

Members spend 1 BUN at a time at auction and cannot outbid themselves. Each bid made is debited from their accounts whether or not they end up getting the NFT. Any bids coming through in the last 15 seconds cause the timer to reset back 15 seconds.

The last member to bid when the counter expires gets the NFT. Members can also use a bid bot, which bids on their behalf in the last 15 seconds up to a BUN amount they have specified (e.g., members that want a bot to bid while they are away).

Only a maximum of 40 NFTs are on auction at any one time.

Account Cap

A member’s BUN account is limited to 50,000 BUNs at any one time, which includes BUNs escrowed in auctions, sent off-site and available in their account. Members are

prevented from purchasing BUNs above this cap; any bonus BUNs received or BUNs deposited from off-site addresses above the cap is relayed to the Oven for redistribution to the Loot NFT ecosystem.

We may vary this cap in the future for members that achieve status levels through their participation at auctions.

Paywall

For first-listed auctions, members pay 5 BUNs to join (this is accounted for as their first bid). Six hours from the end of the auction, this fee doubles to 10 BUNs. If the auction goes into extra time due to the clock resetting every 15 seconds if a bid is received in that period, this fee doubles every 6 hours until the auction is locked to new participants after approximately 78 hours (i.e., no new members can join, although the bidding may still be ongoing).

Auction Escrow

Members must indicate how many BUNs they intend to bid before each escrow. They enter the amount on the auction card and press “Allocate.” Their account is debited and the “Bid Now” and “Bid Bot” buttons are enabled for them to bid up till the allocated amount. Members press “Clear” to return their BUNs back to their account.

The Oven

A time-locked wallet that receives all BUNs spent on Loot NFT.

The Oven is emptied every Sunday at 00:00 UTC and fills up with BUNs

Product Details

again for the following week's distribution. Twenty percent of the BUNs in each Oven is distributed as rewards to members, while the other 80% recirculates back to Loot NFT for resale to members. Members are rewarded based on how much they have bid at auctions and the status level they have achieved.

The mechanics of the Oven are as follows:

(a) Ten percent of the Oven is distributed based on a member's cumulative participation at auctions to date ending Saturday 00:00 UTC (24 hours before Oven distribution) pro rata all other members' participation since the start of auctions on Loot NFT.

(b) The remaining percentage (or portion) of the Oven is distributed based on a member's cumulative participation at auctions over the past 7 days ending Saturday 00:00 UTC (24 hours before Oven distribution) pro rata all other members' participation over the same time period.

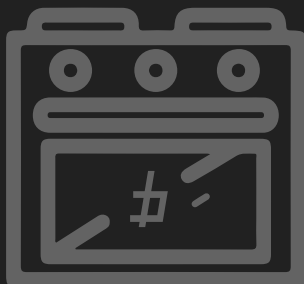
Put simply, the Oven rewards long-term and recent auction participation.






Example:

John spent 1,000 BUNs in all auctions to date and 50 BUNs in the past week. All other members spent 10,000 BUNs in auctions to date and 1,000 BUNs in the past week. John's all time share of bids to other members is 10% (1,000/10,000) and his past week's share is 5% (500/1,000 BUNs).

At that time, the Oven contains 5,000 BUNs and is emptied; 20% (1,000 BUNs) is distributed as rewards to members based on their participation in auctions.

John gets 10% x 500 BUNs (representing 10% of the Oven) or 50 BUNs for his all-time participation and 5% x 500 BUNs (representing the other 10% of the Oven) or 25 BUNs for his participation in the past week. Therefore, John gets a total of 75 BUNs (i.e., 50 + 25 BUNs) out of this Oven distribution.



	Current Oven	12,000,000 ₿
	Last Oven Share	1.23 %
	Auction Proceed	12,000.05 Ⓢ
	Unpaid USDC	304.94 Ⓢ
	USDC Paid	12,304.99 Ⓢ

Product Details

Payments

To log in, members must have at least 1 BUN or 1 NFT (excluding burned or NFTs transferred off-site) in their accounts. This means that at sign up, new members must buy at least 1 pack of BUNs for 5 USDC. Thereafter, they can buy BUNs directly from their Wallet page.

We pay creators and resellers of NFTs in USDC as well. All BUNs collected at auction is converted to USDC based on an internal BUN/USDC exchange rate. Internal rate calculations are made at the end of each auction and are locked-in as the proceeds of the auction.

Internal Exchange Rate

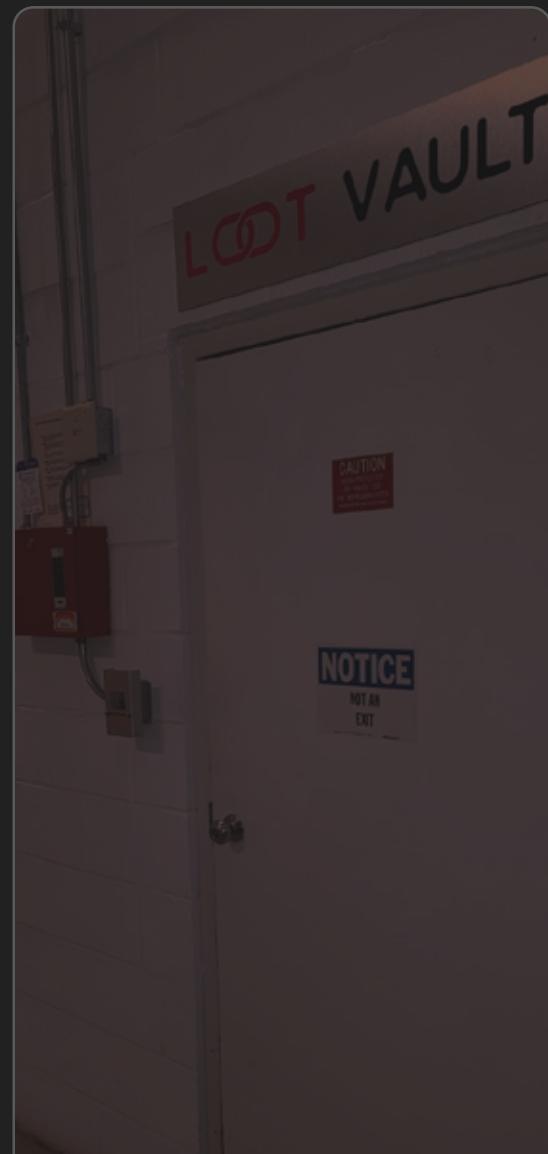
Due to the BUN bonus and rewards (e.g., referral bonuses, and Oven rewards) the value of the BUNs within our ecosystem is less than the full price of a BUN we sell. This can result in auctions listings being overvalued (e.g., actual BUN value is 0.05 USDC, but we sell a BUN at 0.20 USDC; if an auction collects 100 BUNs, the value collected is 5 USDC, not 20 USDC). In the case we need to pay creators, they will be paid 2 USDC and not 8 USDC, otherwise we would be down 3 USDC (i.e., 8 to 5 USDC).

Hence, we cannot value the BUN at the price at which we sell them; instead we need to value it based on an internal exchange rate. This is achieved by calculating the total amount we receive from the sale of BUNs divided by BUNs distributed in our ecosystem. The internal rate

BUN/USDC is displayed publicly in the “Statistics” section of our website.

The Loot Vault Facility

We house physical creations in our custody in an underground, temperature and humidity controlled secure facility. These are on loan to us until the NFT is transferred off-site by its owner. From time to time, we may display NFTs in galleries or museums, which will show their current owner’s username with the words “On loan from:”. All physical creations are tracked and available for audit publicly under the “Manifest” link of our website.



Product Details

Minting and Transfers of NFT

Following receipt of the creation we commissioned, we create an auction card (the relevant consignment information and legal paperwork is public) and mint an NFT for it on LNFTxHABN. The username of the owner of the NFT is public (under the "Manifest" link of our website) and updates if the owner changes (e.g., if re-listed for auction and sold).

When an NFT is transferred off-site, it is burned (sent to an unspendable address) on LNFTxHABN and minted on the blockchain of choice of its owner (subject to availability), listing amongst other things in its metadata, its chain of title ID from LNFTxHABN for provenance purposes. Our public manifest is also updated to show "Burned", with the same ID.

Members have 90 days to take possession of any physical creations linked to that NFT at their cost; failing that, we may donate the same.

NFTs transferred off-site cannot be reintroduced into Loot NFT.

Non-Fungible Tokens (NFTs)

Every creation offered as an NFT for auction is unique (one of one) and may be either solely digital or digital and physical (denoted with a [P] in the auction). Each creation belongs to a set with a particular theme; for example, "Life in Kenya" composed of 5 creations from the same or different creators.

The types of NFTs we list for auction are as follows:

(a) All NFTs are embodiments of final and completed creations. This means that they are purchased and sold as is and no further rights, other than the right of ownership, can be derived from it (such as, an NFT granting a revenue stream).

(b) All works are by the source creator (e.g., if a photo, the person that took and owns the rights to that photo).

(c) NFTs are classified in the following categories:

- (i) Artwork (e.g., paintings, sculptures, or other digital or digital and physical artwork)
- (ii) Videos (e.g., music videos, celebrity messages, etc.)
- (iii) Historical Pieces (e.g., screen captures, architectural drawings, photos of unique moments in history, etc.)
- (iv) Music or Audio Files (e.g., podcasts, audio books, etc.)
- (v) Models (e.g., model airplanes, boats, buildings, etc.)
- (vi) Mechanical objects, unregistered for operations (e.g., unique designed one of one motor vehicles, crafts, etc.). Mechanical objects could, however, be registered by its owner (think of the a Batmobile that works, but is not suitable on the road).

There will be 10 NFTs in June 2021 for auction. Thereafter, we anticipate listing at least 1 creation per day. Due to our battle bidding auction style, auctions can last hours, days, or even weeks. Together with the ability for members to re-list their NFTs for auction, we expect that there could be multiple NFTs on auction at any one time.

Product Details

Resales

Once an NFT is won, its owner may re-list it for sale at auction. We take a 40% commission for resales.

Proceeds of the auction are provided in USDC to that member. All re-lists contain a reserve price that must be met before the auction goes live.

A member cannot list an NFT for resale with a reserve that is higher than the price that NFT achieved in its last auction. To resell, members must set the amount of members they want to have a seat at the auction (a minimum of 30 is required). Members cannot participate at the auction of NFTs that they themselves re-listed.

Each member escrows a share of the reserve price to join a re-listed NFT:

Joining Fee = Reserve Amount / Minimum Amount of Members

When the reserve is met, the escrowed amounts are released as bids and the auction goes ahead in battle bidding style (one BUN at a time). If not, the escrowed amounts and the NFT are returned to the relevant members.

A re-listed NFT has 170 hours to achieve its reserve price. If it goes live, there is an initial timer of 24 hours before extra time (i.e., the 15 second reset period if a bid is received within the last 15 seconds of the auction). Any member can join the auction at any time by paying the joining fee. Unlike for first-time listings, this joining fee does not increase over time.

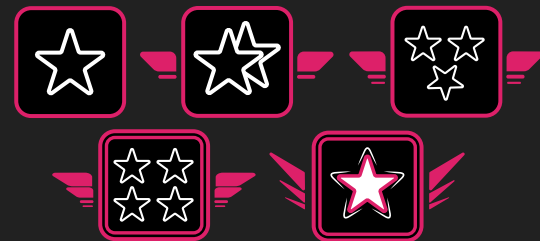
Transfers

To transfer NFTs off-platform, re-list an NFT for sale, get paid in USDC, or transfer BUNs to your custody, you must pass a KYC check and whitelist your recipient public address. In the case of resales and earning referral commissions, you must also agree to additional contractual terms. For commissions, if the recipient resides in the US, we will provide an IRS Form 1099.

Badges

Currently, you can get a total of 9 badges.

The Degrees



Members that collect a simple majority of NFTs in a themed set (e.g., 3 out of 5) get a degree, which gives them additional weightage for Oven rewards calculation. They can achieve up to 5 degrees and keep them even if they resell the NFTs used to achieve them.

1st degree: 10% additional weightage to the amount of BUNs bid at auctions for Oven rewards. For e.g., if you bid 10 BUNs, you will be deemed to have bid 11 BUNs (10% additional). As Oven rewards are based on each members' share of bids at auction to other members, you get more BUNs than what you would otherwise have had.

Product Details

2nd degree: 20% additional
 3rd degree: 40% additional
 4th degree: 70% additional
 5th degree: 110% additional

Example:

*John has a degree that gives him an additional 10% weightage on his participation volume for Oven rewards. His bids to date were 1,000 BUNs and over the past 7 days he bid 100 BUNs. The degree inflates his BUNs used in the Oven calculations by 10%. His volume is now $1,000 * 1.10$ (1,100 BUNs) and $50 * 1.10$ (55 BUNs). John's share is recalculated to $1,100/10,100$ or 10.9% instead of 10%, and $55/1005$ or 5.4% instead of 5%.*

John gets 27 BUNs + 54.5 BUNs for a total of 81.5 BUNs. This is rounded down to the nearest whole number which is 81 BUNs (the fraction is sent to the next Oven). This is 6 more BUNs than John would have otherwise obtained.

We reserve the right to raise the maximum BUN cap of 50,000 BUNs for degree holders. For e.g., by an additional 10% (1st degree), 20% (2nd degree), 40% (3rd degree), 70% (4th degree), and 110% (5th degree).

Mystery Gifts



Complete a full themed NFT set to get a jaw-dropping mystery gift.

Referral Bonus



If you invite someone to join by whitelisting their email address after 10 July 2021, you get 1 BUN for every 1 USDC they spend on their first purchase. This ends on 31 December 2022.

Lifetime Free NFT Re-lists



There is a fee of 250 BUNs for members that decide to re-list an NFT for auction. This is permanently waived for members signing up before 10 July 2021.

Pioneer



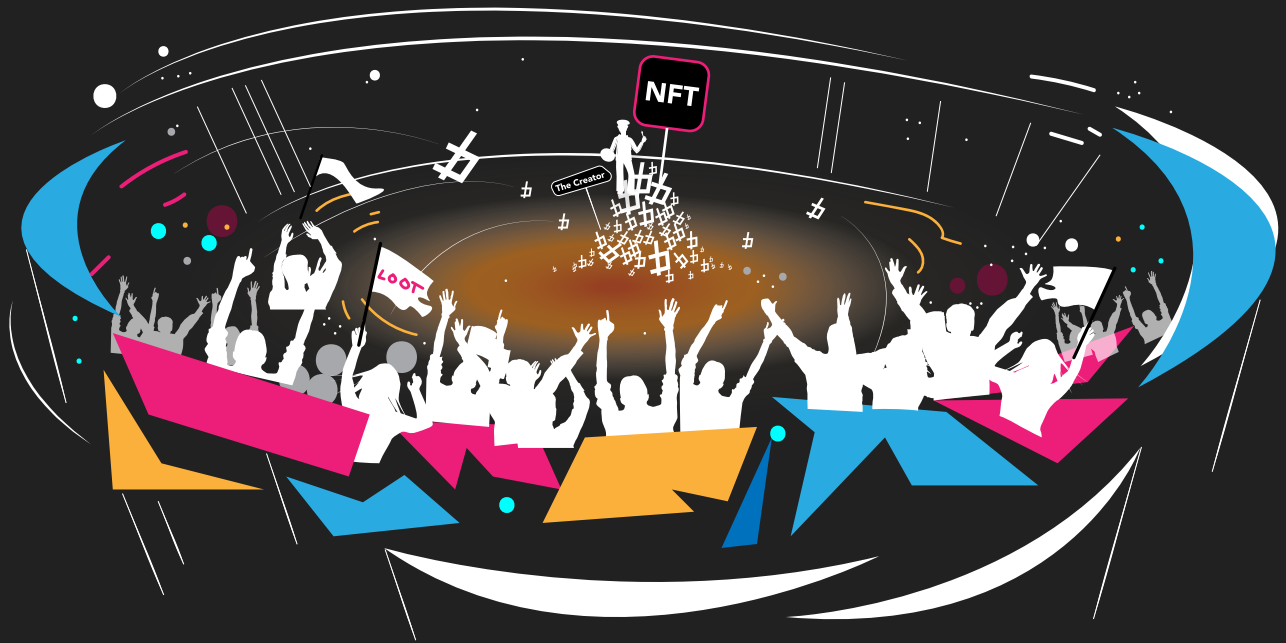
Five hundred badges provided on a first come, first served basis to members signing up before 7 June 2021. It gives the member the ability to, if they choose, earn USDC commissions on each purchase their invitees make up until December 2022. The Pioneer badge cap does not apply to members of the Genesis Army provided they sign up before 7 June 2021 (see FAQs for information about the Genesis Army).

The Label



All members have an additional perk: their usernames are listed as owners of NFTs if we display works linked to NFTs they own at a gallery or museum.

CREATORS- WELCOME TO THE WORLD'S FIRST NFT Talent SHOW



Your unique work is tokenized in an NFT and listed in the arena. Bidders in the battle pit bid on it to own it and complete sets. Your work is discovered and you get paid. But the biggest asset of all is your brand breaks out. Welcome to the future.

Traditional

Curators
Marketers
Gallerists
Critics
Schmoozing



The **LOOT** NFT Alternative

We combine all of those functions around our gamified auction.

For Creators

We have a responsibility to our members to commission work and ensure that what we put up for auction is your work and that you have granted us an exclusive license to sell it on your behalf.

Unfortunately, we do not allow creators to list their creations by themselves like on other NFT auction platforms. But, if you are thinking about listing your creation with us, we would love to talk to you.

For digital only NFTs, once we sign the listing contract, we will require you to provide the digital file of the creation. We will tokenize it and do all the legwork to list it, handle the auction, and transfer the proceeds to your USDC address, less our fees.

For physical creations, the process is the same, except that you will be required to send the creation to us prior to receiving payment. We will organize the shipping on our end, at our cost.

Creators get 40% of the proceeds of each auction, converted to USDC.

For Members

(1) If you have a whitelisted email address, click "Sign Up." After the verification process, you will be met with a paywall. Follow the instructions to send USDC to buy BUNs and you will be able to log in. You will then see your BUNs credited to your account ready to use.

(2) Choose the NFT you want to bid on and click "Join Auction." You are required to pay a joining fee that increases over time. Then, you must tell us how many BUNs you would like to use for that particular auction. This escrows the amount for you to bid (you can clear the amount back to your account or add more to the escrow at any time).

(3) Bid by pressing the "Bid Now" button or set the "Bid Bot." You or the bid bot can only bid 1 BUN at a time and must wait for someone else to bid before bidding again. The bid bot is activated in the last 15 seconds of an auction. If no one else bids by the time the timer expires, you win the NFT. If someone else bids in that time period, the timer resets back to 15 seconds.

(4) NFTs can be re-listed by members for auction (denoted with an "R" on the auction card). These auctions only start once a reserve price is met. To join, you must pay a share of the reserve price as a joining fee.

For example, if the reserve price is 300 BUNs and a minimum amount of 30 members is required, then a member's share to join is 10 BUNs. Once 30 members have each contributed 10 BUNs, the auction reserve price is met and the auction starts. If the reserve price is not met, the auction is cancelled and all BUNs escrowed to that auction revert back to the relevant members' accounts.

(5) If you win at an auction, the NFT will appear in your "My NFTs" section of our site; you can download it for display. Provided you fulfilled some pre-requisites, you can either re-list that NFT for auction or transfer it off-site out of our custody. To resell an NFT means that you are giving up the right to own that NFT and any associated creations it embodies. NFTs sent off-site can't be reintroduced to the Loot NFT ecosystem.

NFTs coming up



Breathe

1/5	2/5	3/5	4/5	5/5
THE 01	-	-	-	-



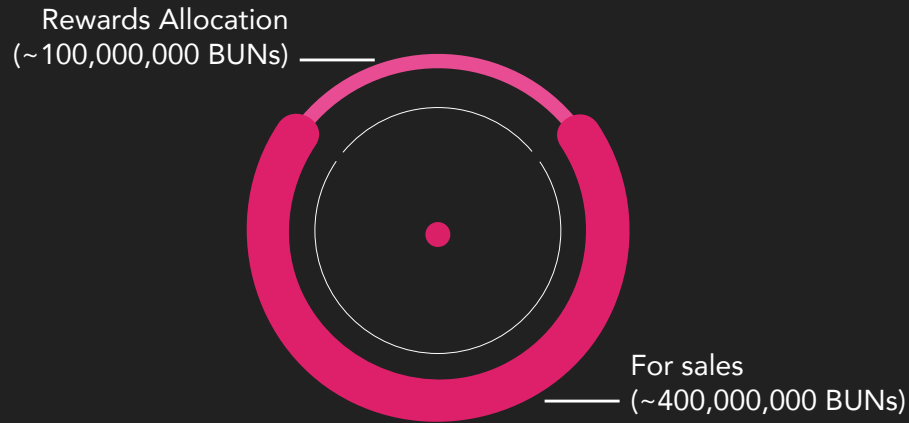
The Ol' Creatures

1/5	2/5	3/5	4/5	5/5
SATOSHI	-	VITALIK	-	ULRICH



Heaven Was Copied After Mauritius

1/5	2/5	3/5	4/5	5/5
-	-	-	-	-



500,000,000 BUNs
Total Supply.

No Team Allocation
No Reserves

Tokenomics: As
simple as it gets.

DISCUSSION PIECES



1.

D-Day

We could run out of BUNs to sell to members if they are trapped in auctions or the Oven, or hodled. That is a feature, not a bug.

The BUN is used to bid for NFTs (its main utility). Members must use skill to manage their bids as the circulating supply of BUNs diminishes.

In one embodiment, only a few members own the remaining BUNs and every other member, and Loot NFT, are spectators to the ongoing auction battle. This also means that auctions must conclude as the last BUNs run out.

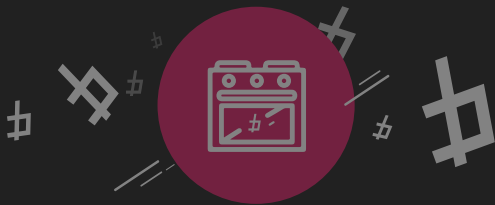
Our team refers to D-Day as the very extreme scenario where all BUNs (other than those lost, off-platform, etc.) are in the Oven. Our entire ecosystem must then wait for the upcoming Oven distribution on Sunday to resume activities.

How likely is this? Very unlikely, but really, we don't know.

2.

Bid Units (BUNs)

BUN IOUs are centralized units in a database used in the first phase of our platform that ensure we stick to an orderly evolution towards a decentralized solution. Mirror BUNs (M-BUNs) were minted on LNFTxHABN and work in the background to track and audit all member transactions in full transparency. And, BUNs were issued on Cardano and will be able to be custodied by their owners around October 2021.



All three units work in symbiosis with one another behind the scenes; members only know one BUN type, and are not exposed to these underlying mechanics.

Over time, we expect to migrate away from BUN IOUs, at which point M-BUN will be used for fast and ultra-low cost transactions, such as bidding, and the BUN will be used for other types of activities.

3.

Addressing Low Auction Engagement

There is a joining fee to an auction that is added to the auction tally; this cost increases over time disincentivizing members joining late and seeds the auction early.

There are a relatively small number of NFTs, all are unique and offered in sets, which should push up desirability.

Members engaged in the Loot NFT challenge may be on the lookout to participate to complete their sets.

The re-listing feature may also bring value to a member that wants to sell an NFT previously obtained at auction (or to transfer them off-site).

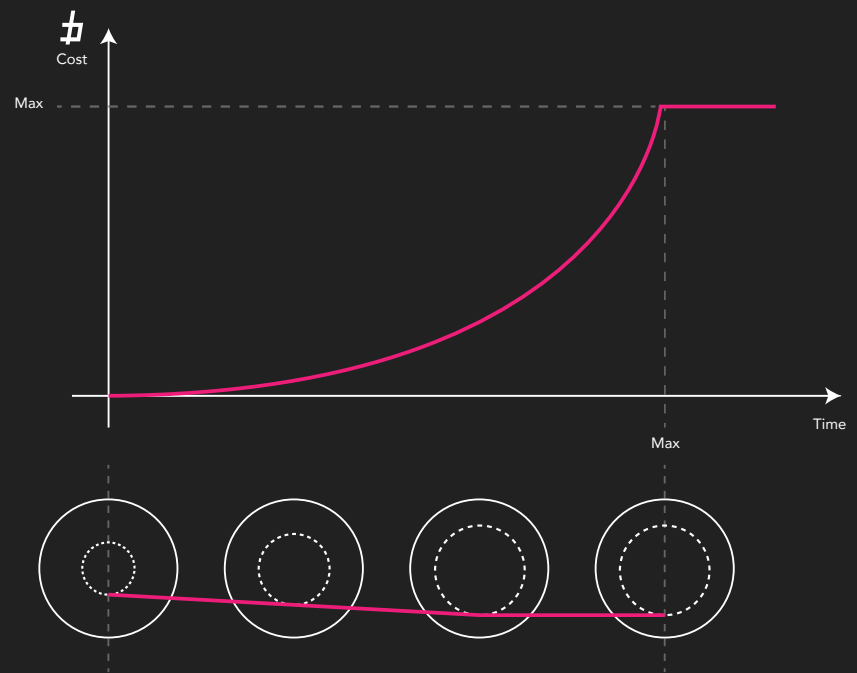
4.

Paywall Mechanics for first-time listings

New auctions that get listed on Loot NFT end at the same time; for example, listings on Sunday countdown to the following Sunday; listings on Monday countdown to the following Sunday; listings on Tuesday countdown to the following Sunday, so on and so forth.

When there is less than 6 hours to the end time (that is on the Sunday the timer ends), the paywall doubles to 10 BUNs, and keeps doubling every 6 hours thereafter.

Hence, it gets costlier to join an auction as time goes by. This self-regulates the number of members that

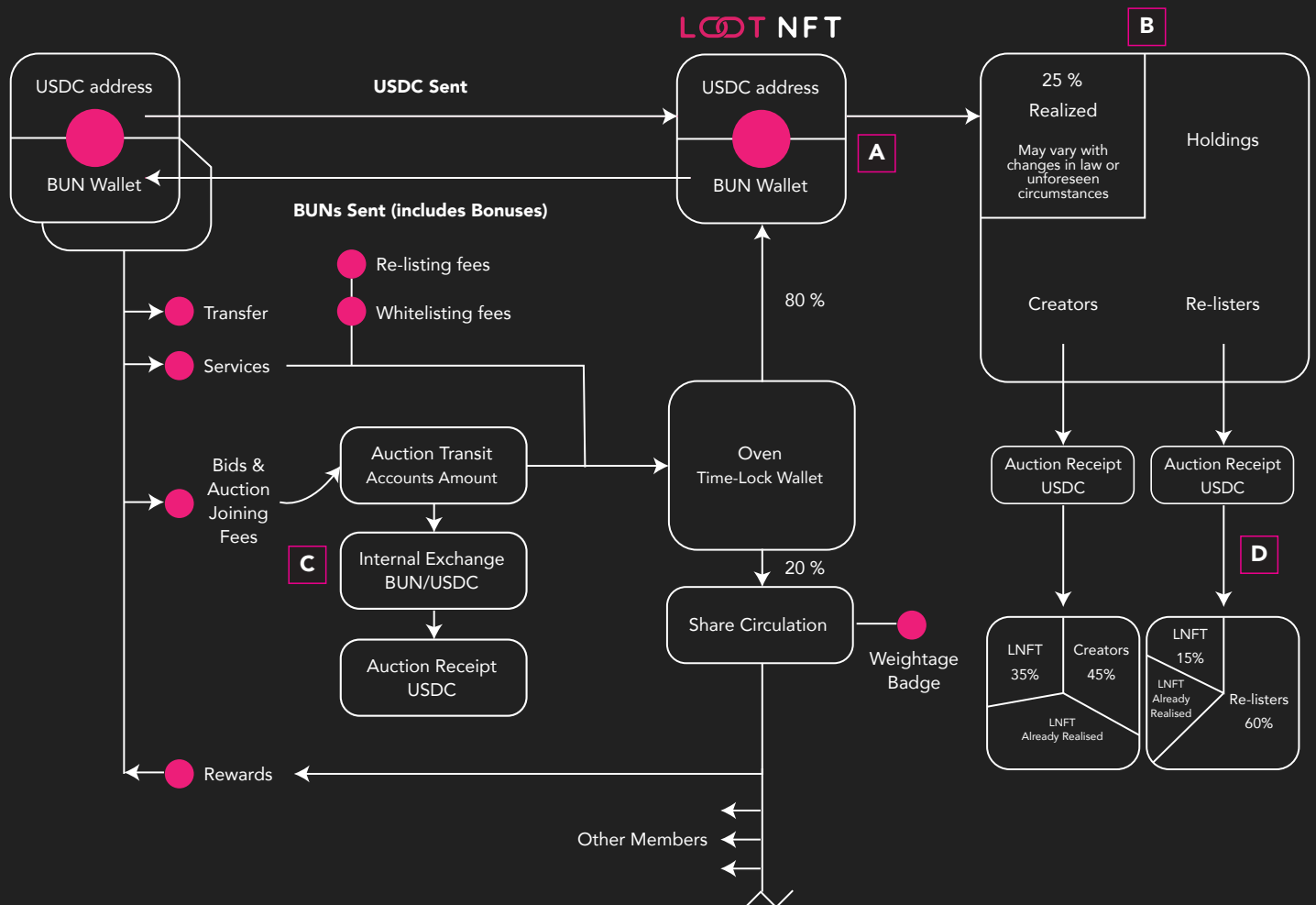


Impact of the paywall on participation from the population of members.

participate in an auction since doubling the joining fee quickly reaches a large amount, pricing out most members.

Since members cannot have more than 50,000 BUNs in their accounts, this doubling means that no one can participate in that auction after about 78 hours since the joining fee would be over 50,000 BUNs.

5. BUN and USDC circulation



(a) Upon a BUN purchaser sending in USDC, we deliver BUNs. The USDC is sent to the Loot NFT receiving addresses.

(b) Twenty-five percent of the USDC received is immediately realized as revenue to cover our running costs and for expense provisions, including sales tax obligations. The other 75% is to cover cost of goods (e.g., creators' and re-listers' payments), and our remaining fees are only realized at the time of sending those payments after an auction concludes.

(c) When members bid at auctions, all BUNs are trapped in that auction

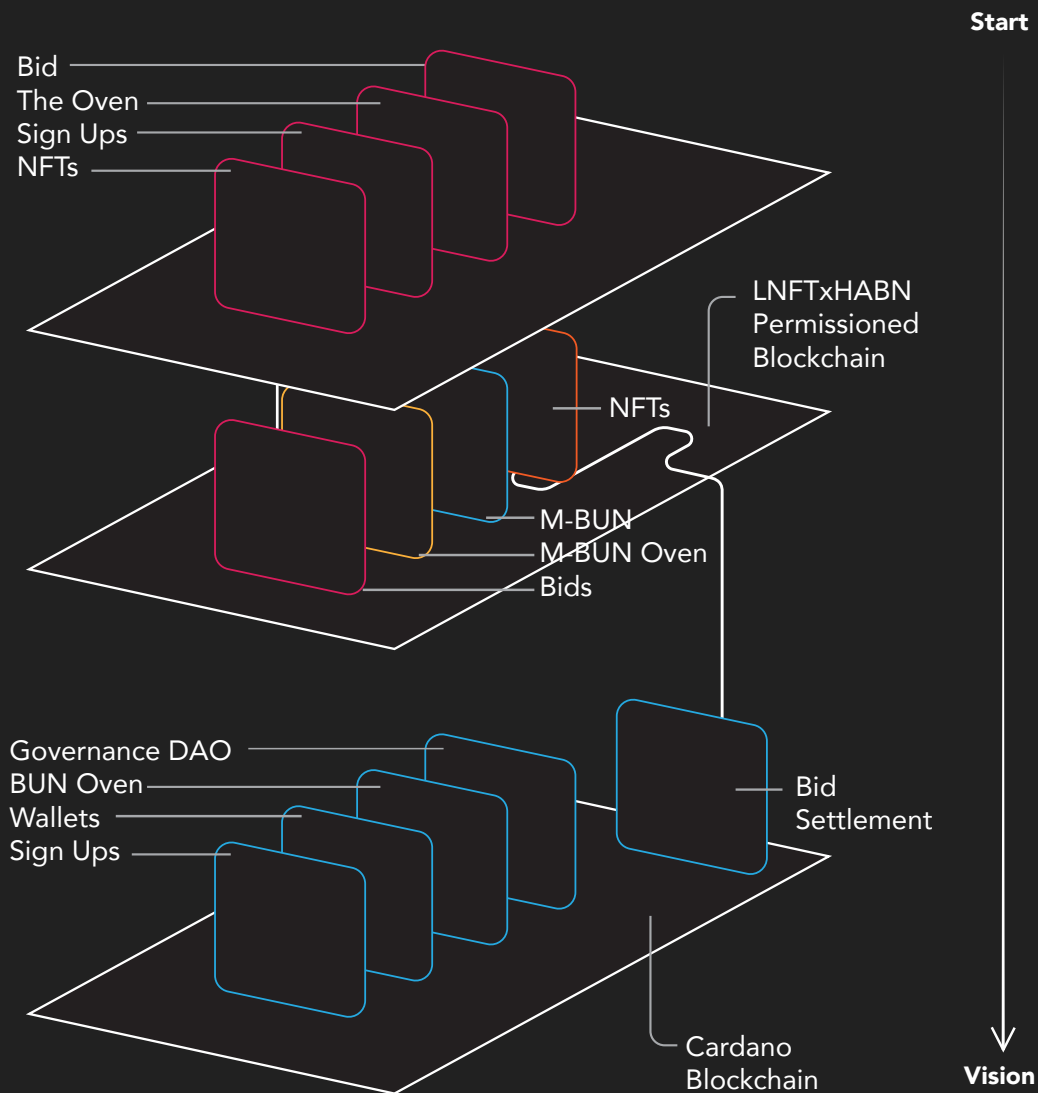
until it concludes. Then, BUNs are sent to the Oven awaiting distribution on Sunday. Loot NFT receives BUNs to its return wallets. One return wallet is only used to sell BUNs once a previous one is empty. We recirculate the number of wallets in this way such that a wallet is used to receive BUNs from the Oven and another is used to sell BUNs, and never both.

(d) The internal BUN/USDC exchange rate is multiplied by the amount of BUNs bid and locked in as the value an NFT achieves in an auction.

THE BLOCKCHAIN



Under The Hood



We are ambitious.

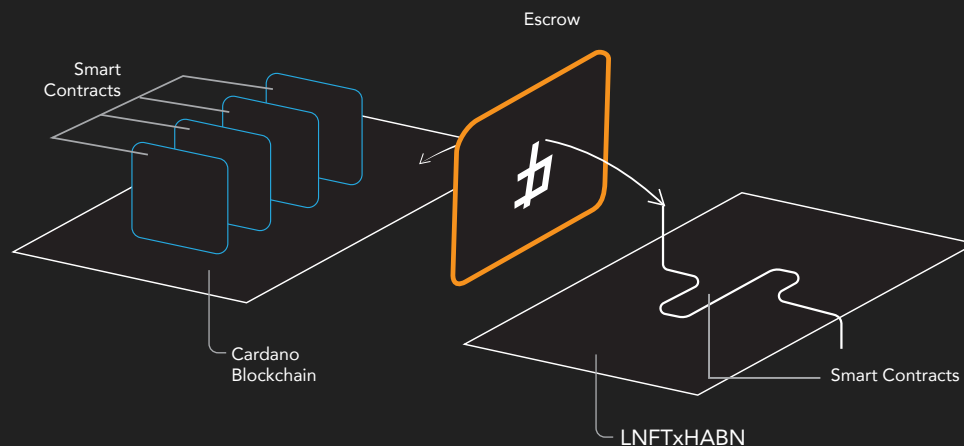
Our business exit strategy involves a DAO where members, a foundation, and the blockchain control the future of Loot NFT, while we receive royalties from activities within the ecosystem.

This is why we built the centralized Loot NFT in a highly modular fashion. Over time, we plan to dismantle each piece of this centralized architecture to the point

where the majority of all our software components are governed by a series of smart contracts on both LNFTxHABN and the Cardano blockchain.

This unstoppable tokenized membership, auction house, and engagement program could then also be used by others to build membership-related applications using the BUN.

LNFTxHABN, a Permissioned Blockchain



Some interactions are not appropriate for public blockchains. For example, transactions with very high throughput and micro values (e.g., battle bidding from multiple auctions which could be prohibitively costly and bloat the blockchain).

M-BUNs were issued within the LNFTxHABN permissioned environment. Our NFTs are also minted on it. Its role is to track and audit each BUN transaction (high throughput) and NFTs at fixed costs, which is absorbed by Loot NFT (through API call fees). This means members do not have to worry about on-chain transaction fees. However, we are still in research mode tackling bid velocity impacts on LNFTxHABN and Cardano.

We expect to offer BUNs for sale for ADA (instead of USDC), which will in turn facilitate our ecosystem's migration from its centralized infrastructure to a blockchain environment (LNFTxHABN and Cardano). The bi-directional bridge model to facilitate this transition is one of the embodiments in our patent pending (USPTO 63/173,415.) process and is a theoretical experiment.

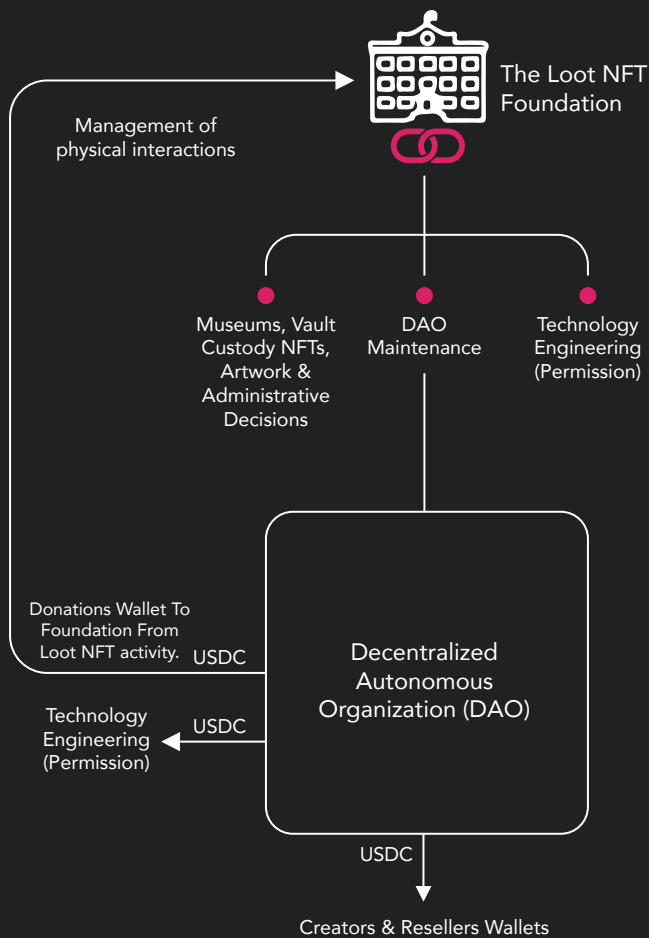
About HABN

HABN went live in 2018 and is a VASS that maintains a blockchain environment for businesses to use a permissioned blockchain or create their own blockchain infrastructure. It uses a proof-of-authority consensus with 15 validators and is built for very high-speed transactions, transactional integrity, auditability, and low cost targeted at enterprise grade applications.

Enterprises pay a monthly fee for API call packages to interact with the validator network. They build their wallets, tokens, smart contracts, and pay a monthly fee. Everything else happens out of sight. The HABX, native cryptocurrency of HABN, is used as an accounting tool for validators to prove their work. HABX can be burned every 500,000 blocks in return for a share certificate (HABN Share Certificates or HSCs) entitling them to a share of the customer fee pool. This revenue can be in any currency, but is converted to ADA and distributed to validators upon presenting their HSCs.

Disclaimer: Loot NFT, Codevigor, and Ducorp XTM are validators of HABN.

An Experiment to Create a New Resource



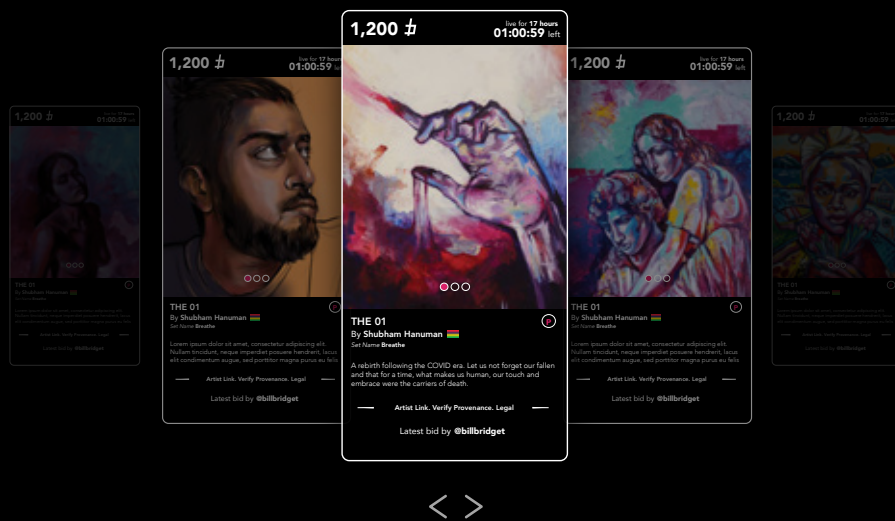
Loot NFT is more than a gamified auction platform; it is an experiment aiming at autonomously running an organization for as long as the blockchain on which it is built, lasts.

Not so long ago, landowners found oil on their land, which their families are still benefiting from today in the form of royalties. We view our mission to get to a DAO in the same way: a resource that sustains itself through member participation, much like an oil field in perpetuity.

This is not possible unless all members feel valued in that environment. In our case, it also means a non-biased way to manage matters such as the setting up of a foundation to deal with the physical, but also to maintain the DAO.

We do not expect to achieve this in the short term, but our promised land is clearly defined. We hope to show others that there may be a different way of building enduring businesses.

YOU'RE MISSING OUT!

**LOOT NFT**

How it works
FAQs
Statistics
About Cardano

The Platform

Innovation
Documentation
Non-Fungible Tokens
Bid Units (BUNs)
Member Rewards
Legal

The Creations

Live Auctions
Upcoming Auctions
Loot Vault
Manifest
Creations Listings

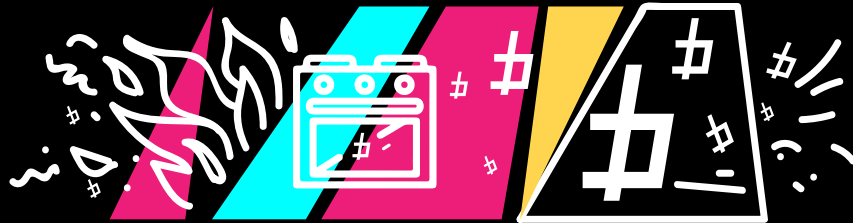
Reach Out

About
Join our Team
Press
Videos
Contact Us

Copyright 2021. Loot NFT Co LLC,
all rights reserved. Patent Pending.



NOTICE TO MEMBERS: (1) BUNs will not be listed by Loot NFT Co LLC, or any of its officers, agents, affiliates, assigns and employees on any secondary marketplaces. We will not support nor participate at any token indexing sites, such as coinmarketcap.com; we will not trade BUNs at any exchange. While the BUN is a cryptographic token issued on the Cardano blockchain (BUN) and the Loot NFT permissioned blockchain (L-BUN) and can be secured in the custody of its owners, its intended use is solely for consumption as bidding vouchers in auctions for non-fungible tokens (NFTs) or to redeem for member services and benefits at the Loot NFT website. (2) Loot NFT introduces game mechanics that are untested and should be treated as an experiment. Members' behavioral responses could be different from what we expect. (3) The use of BUNs or NFTs are subject to our terms and are not, and should not be treated as financial products or assets to expect profit from the effort of others. Loot NFT Co LLC, Wyoming, USA.

**39,000 ₪**

— AVAILABLE BALANCE —

**1,000 ₪**
In Auctions**10,000 ₪**
Off Platform

BUY

DEPOSIT

SEND



Current Oven

12,000,000 ₪

Last Oven Share

1.23 %

Auction Proceed

12,000.05 Ⓢ

Unpaid USDC

304.94 Ⓢ

USDC Paid

12,304.99 ⓈDownload **CSV**

— HISTORY —

Date	BUY BUN	18,000 USDC	90,001 BUN	39,000 BUN
Date	SEND BUN	To Address	14,500 BUN	129,001 BUN
Date	BID BUN	NFT Type	1 BUN	114,001 BUN
Date	SEND BUN	To Address	14,500 BUN	114,502 BUN
Date	BONUS BUN	Oven Rewards	14,500 BUN	129,002 BUN



Collection Sets ▼

Search NFTs 🔍

Collection Sets

Watchlists

Re-lists

Physical

1,200,000 ₿

**THE 01**By Shubham Hanuman 🇮🇳
Set Name Breathe

A rebirth following the COVID era. Let us not forget our fallen and that for a time, what makes us human, our touch and embrace were the carriers of death.

Artist Link. Verify Provenance. Legal

Latest bid by @billbridget

@jeanflorian3333
@bitcoinguyff BID BOT
@bit_bot
@billbridget
@jeanflorian
@bitcoinguyfgg BID BOT
@bit_bot
@billbridget
@jeanflorianvbgdd
@bitcoinguy1123 BID BOT
@bit_bot

BID NOW

STOP BID BOT

Auction Balance: 200,000 ₿

BUN

CLEAR

ALLOCATE

1,200,000 ₿

live for 17 hours
01:00:59 left**THE 01**By Shubham Hanuman 🇮🇳
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+ Watchlist

The Battle Pit

@billbridget
@jeanflorian3333
@bitcoinguyff BID BOT
@bit_bot
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@jeanflorian
@bitcoinguyfgg BID BOT
@bit_bot
@billbridget
@jeanflorianvbgdd
@bitcoinguy1123 BID BOT
@bit_bot

BID NOW

STOP BID BOT

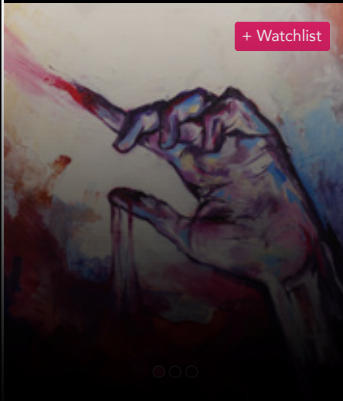
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BUN

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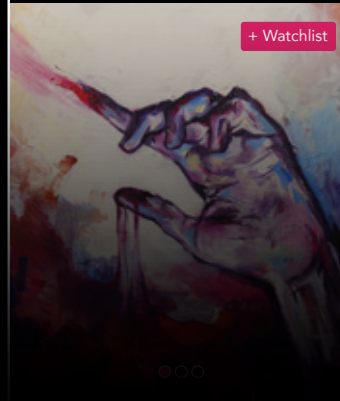
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+ Watchlist

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@bit_bot
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@bit_bot

BID NOW

1,200,000 ₿

live for 17 hours
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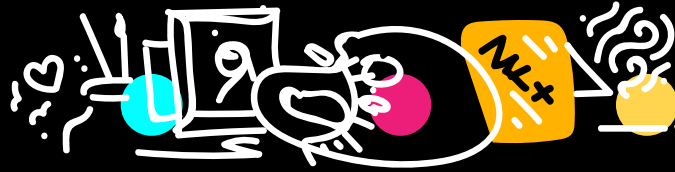
Latest bid by @billbridget

+ Watchlist

The Battle Pit

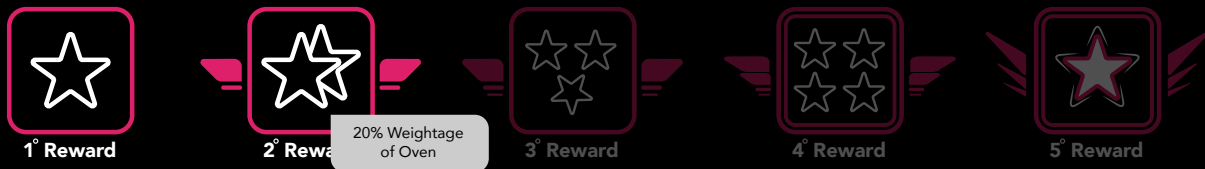
@billbridget
@jeanflorian3333
@bitcoinguyff BID BOT
@bit_bot
@billbridget
@jeanflorian
@bitcoinguyfgg BID BOT
@bit_bot
@billbridget
@jeanflorianvbgdd
@bitcoinguy1123 BID BOT
@bit_bot

BID NOW



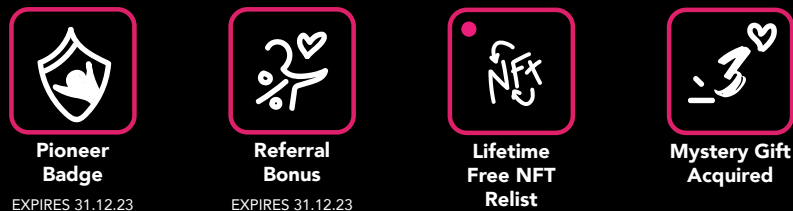
Degrees Achieved

Degrees are badges you unlock by completing a simple majority of NFTs in a set (for e.g. 3 out of 5 NFTs). Each degree give you more BUNs from the Oven and if you complete the full set, you get a jaw-dropping mystery gift.



My Badges

You get benefits for certain activities.
If it is lit up, you got it. Conditions may apply.



Untouched NFTs

Below are the NFTs you've won in auctions and haven't burned or resold. In order to re-list or transfer (off platform) your NFT, you must have passed passed a KYC and background check, and in the case of a re-list, agreed to our terms, which includes the provision of certain private information.



KYC

CONTRACT



FEE-WAIVER

WHITELIST



Account Info

WARNING. You must provide us with accurate information. Some items are not editable and others can only be edited once.

Username	mylootaccount1234	EDIT ONCE ONLY
Name	John Doe	EDIT ONCE ONLY
Email	johndoe@gmail.com	
Password	*****	CHANGE
Address	1234, Galliard Street, Florida, USA	CHANGE
Telephone	+1 834 8999030	CHANGE
BUN public address	 ashskdkdnvioooooow...o878498783nn	COPY
	 ashskdkdnvioooooow...o878498783nn	COPY

Two-factor Authentication

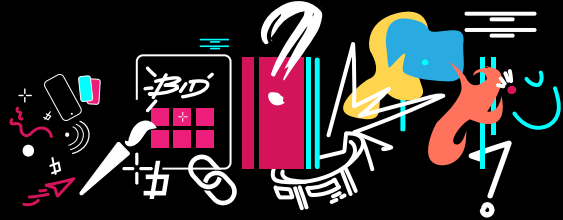
Currently e-mail OTP is required for all log ins to Loot NFT. Please use a strong password and set up Google Authenticator as a second factor authentication.

Set Up

Email Settings

When a watchlist item goes to the arena?	<input checked="" type="checkbox"/> ON <input type="checkbox"/> OFF
When I win an NFT?	<input type="checkbox"/> ON <input checked="" type="checkbox"/> OFF
When my re-listed item goes to the arena?	<input checked="" type="checkbox"/> ON <input type="checkbox"/> OFF
When I get paid USDC?	<input type="checkbox"/> ON <input checked="" type="checkbox"/> OFF
When my re-listed item has met its reserve and goes live?	<input type="checkbox"/> ON <input checked="" type="checkbox"/> OFF

HOW IT WORKS ?



Exclusive Membership



Outside of the open membership registrations ending 30 June 2021, you must be invited to join. Members whitelist their invitee's details who can then sign up.

Members buy BUN, a cryptographic token of limited supply, to bid at auctions and redeem for services and benefits. BUNs are purchased in packs of 25 for 5 USDC. Only 500m BUNs will ever exist.



The BUN

Auctions



Curated one of kind NFTs from creators around the world are listed in auctions. Physical items are custodied and insured at Loot Vault, an underground facility in the USA. Members bid one BUN at a time in a time-limited auction. A bid in the last 15 seconds resets the timer to 15 seconds. The last bid when the timer reaches 0, gets the NFT.

All BUNs spent by members are directed to the Oven, a time-locked member rewards pool. The Oven redistributes a portion of the BUNs back to members every Friday as rewards proportional to their participation level.



The Oven

Rewards & Status



Completing NFTs in a set unlock jaw-dropping mystery gifts. Members can also collect NFT badges that gives them special benefits, such as getting more BUNs from the Oven.

We provide a different path for creators to be recognized and showcase their amazing talents, no matter where they're from. We create a set theme, and creators submit their works which we tokenize and list on their behalf.



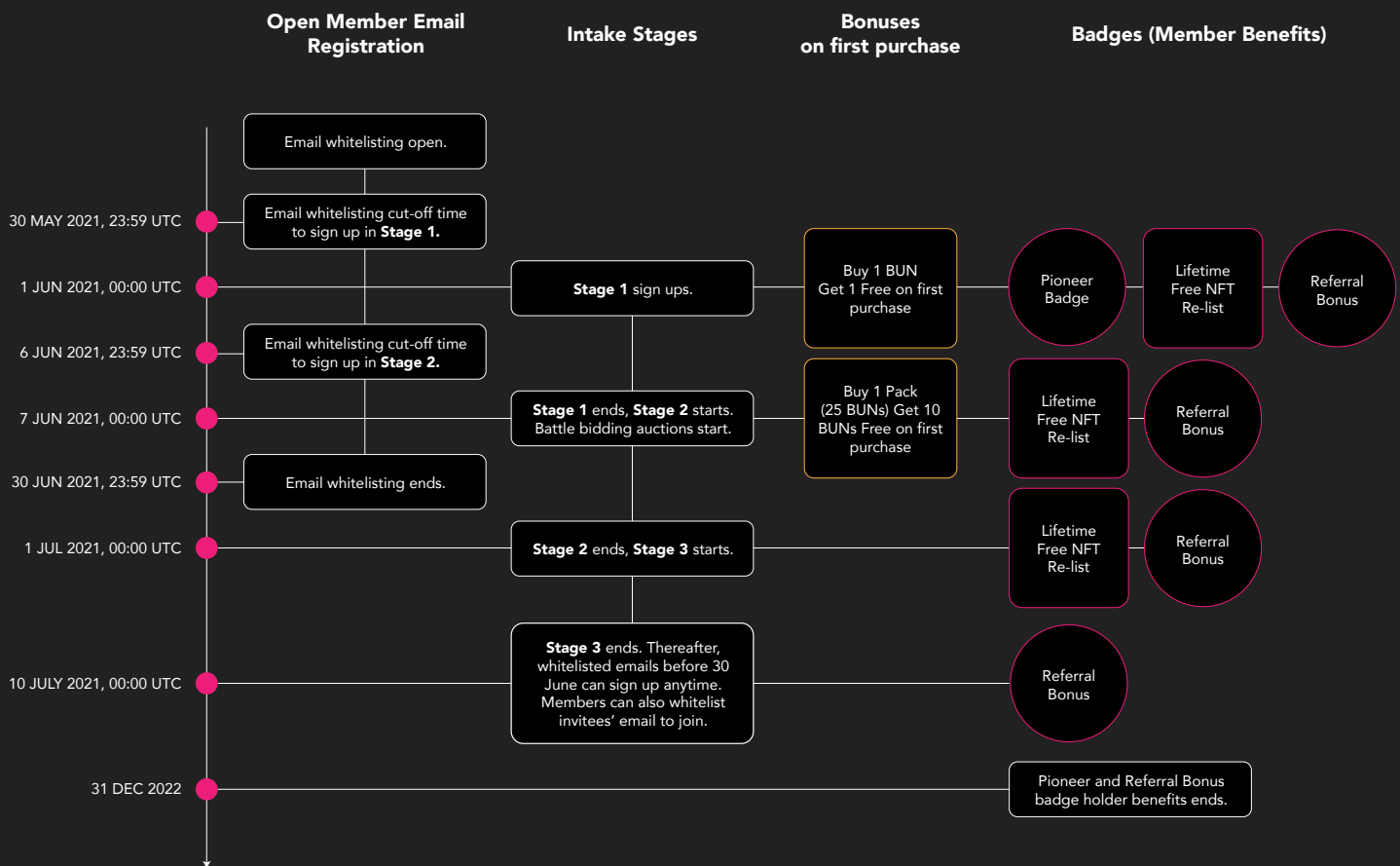
Creators

Initially, the activities on Loot NFT are centralized. Over time these centralized modules are decentralized and owned by the



Blockchain

Launch Information



Anyone signing up before 30 June 2021 gets BUN bonuses and all members signing up before 10 July 2021 get badges giving them exclusive benefits.

(a) The open whitelisting period ends on 30 June 2021 23:59 UTC. Depending when someone whitelists their email address, they will have access to different benefits.

(b) There are 3 sign up stages as follows. People that whitelist their email addresses before:

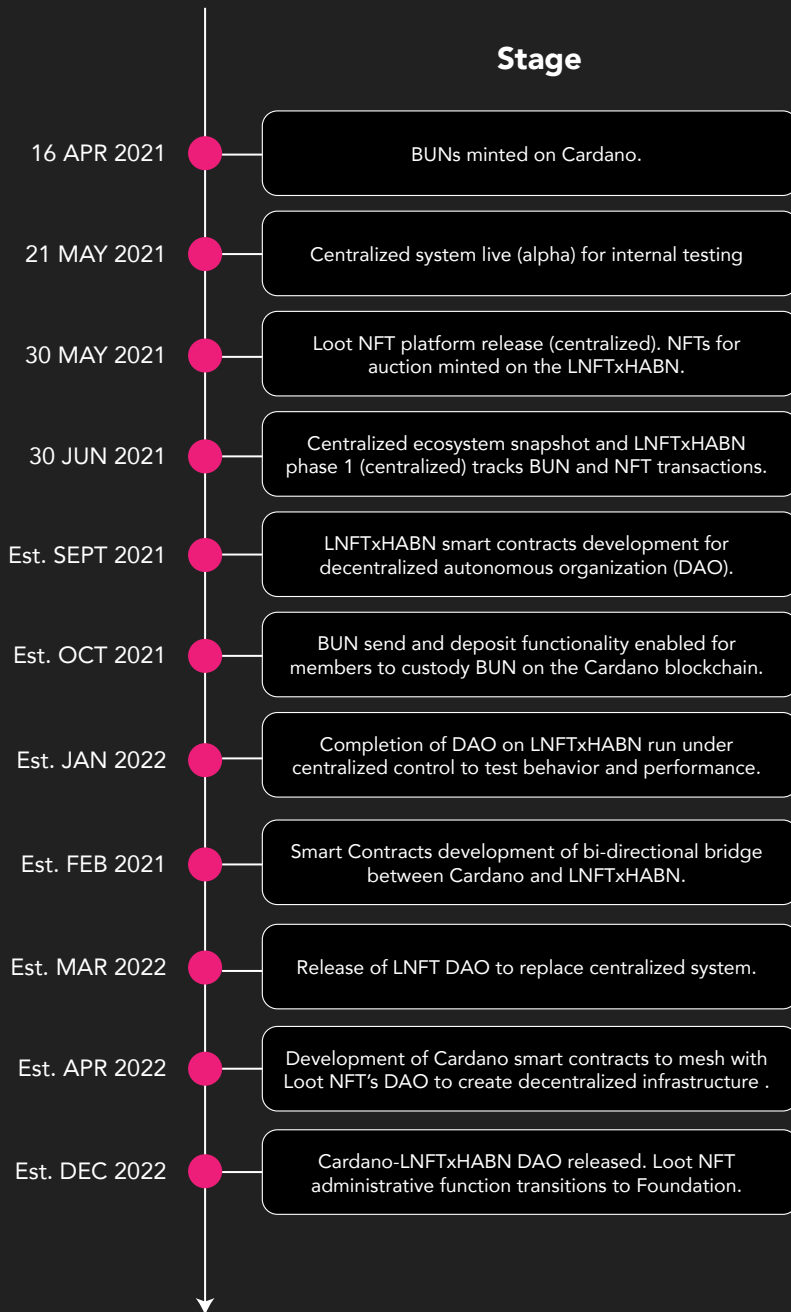
- (i) 30 May 2021 23:59 UTC can sign up between 1–7 June 2021;
- (ii) 6 June 2021 23:59 UTC can sign up between 7–30 June 2021; and
- (iii) 30 June 2021 23:59 UTC can sign up at any time in the future, but get

additional benefits if they sign up between 1–10 July 2021.

(c) There are no allocations of BUNs for any of the sign-up stages, which makes it possible that members wanting to sign up cannot do so because we do not have BUNs to sell at that time. They must then wait till the Oven redistribute BUNs to us.

(d) Members can start inviting others on 10 July 2021 at 00:00 UTC. The KYC, public address whitelisting, and contract signing will also be enabled at that time. Since these are pre-requisites for re-listings, transferring NFTs, getting payments from us in USDC, these functions are automatically disabled until that time.

Technology Evolution



Our goal is to decentralize all (as much as is feasible) centralized modules of our infrastructure to create a DAO.

Some key moments for our planned evolution.

(a) Send and Deposit BUN functionalities are expected in October 2021.

(b) Completion of DAO on the LNFTxHABN is expected in February 2022.

(c) The Cardano-LNFTxHABN DAO is expected in December 2022.

Team

Partners



Main People

No fluff, just visit our LinkedIn Profiles.
Small team, big on execution.

Lance Baker
James Duchenne
Suyash Sumaroo
Shubham Hanuman

Frequently Asked Questions

About Loot NFT

What is Loot NFT?

A gamified, patent pending, platform where members use bid units (BUNs) to bid in non-fungible token (NFT) auctions. Outside of the early bird period ending at 23:59 UTC 30 June 2021, membership is by invitation only.

Members can buy NFTs in auctions (and resell them). They can also collect NFTs in a themed set to unlock rewards. Creators showcase their work in the auction arena (i.e., the page on which all live auctions are listed) and receive the attention of members through the bidding process. In turn, they get noticed and compensated in the world's first NFT talent show.

What is a BUN?

The BUN is a cryptographic token of a limited supply (total of 500,000,000) used to bid at auctions and to consume for services on Loot NFT. Initially, the BUNs used are virtual units in a centralized database (BUN IOU) that mirrors the cryptographic tokens. The BUN was minted on the Cardano blockchain (BUN) and the LNFTxHABN permissioned blockchain (M-BUN). This triplication is for technological, commercial and audit reasons and happens in the background; members only have to deal with a BUN as a single unit.

What is the Oven?

The Oven is a time-locked wallet that receives all of the BUNs spent by members on Loot NFT over 7-day periods (Saturday to subsequent Saturday). The Oven distributes BUNs back in the Loot NFT

ecosystem at 00:00 UTC every Sunday. Members receive 20% as rewards and Loot NFT receives the other 80% for resale to members.

What is a Battle Bidding Auction?

In a Battle Bidding auction, members spend 1 BUN to bid in a time-limited auction. This is a pay-to-bid process where BUNs are consumed and not refundable if a member does not get the NFT. Members must allow another member to bid before bidding again. If a bid is received in the last 15 seconds of the auction, the timer resets back to 15 seconds. The member that bids last before the timer expires wins the NFT.

What is an NFT?

An NFT is a cryptographic token that establishes the authenticity, ownership, and transferability of a unique creation; it is in effect, a digital asset. No two NFTs are alike. On our platform the owner of an NFT is also the owner of the physical creation linked to that NFT (in digital-physical scenarios).

Are all of the NFTs on Loot NFT unique?

Yes.

Are all NFTs in relation to artwork?

No. The types of NFTs we list for auction are as follows:

(a) All NFTs are embodiments of final and completed creations. This means that they are purchased and sold as is and no further rights, other than the right of ownership, can be derived from it (such as, an NFT granting a royalty, or a revenue stream).

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(b) All works are by the source creator (e.g., if a photo, the person that took and owns the rights to that photo).

(c) NFTs are classified in the following categories:

- (i) Artwork (e.g., paintings, sculptures, or other digital or digital and physical artwork)
- (ii) Videos (e.g., music videos, celebrity messages, etc.)
- (iii) Historical Pieces (e.g., screen captures, architectural drawings, photos of unique moments in history, etc.)
- (iv) Music or Audio Files (e.g., podcasts, audio books, etc.)
- (v) Models (e.g., model airplanes, boats, buildings, etc.)
- (vi) Mechanical objects, unregistered for operations (e.g., unique designed one of one motor vehicles, crafts, etc.). Mechanical objects could, however, be registered by its owner (think of a Batmobile that works, but may not suitable on the road).

Are all of the NFTs a part of a set of collectibles?

Yes. Every NFT is unique and part of a themed set of 5.

What are "degrees"?

When a member collects a majority of NFTs in a set (e.g., 3 out of 5), they achieve a degree (i.e., a status level). The highest level that can be achieved on Loot NFT is the 5th degree. Each degree gives more BUN rewards to a member than what they would otherwise have had

What are mystery gifts?

If a member collects a full NFT set, they get a mystery gift. As its name suggests, the gift is a mystery.

What is the ultimate goal for members?

To get the 5th degree (complete 5 sets of NFTs) and unlock the holy grail of admiration and legendary status.

Will you have a Hall of Fame for members completing sets?

Absolutely.

Hall of Famers will be listed in the "Rewards" section of the Loot NFT website

Help me with the lingo?

ADA stands for the native cryptocurrency of the Cardano Blockchain.

BUN stands for Bid Unit.

USDC stands for USD Coin, a pegged cryptocurrency to the US dollar.

The Oven is a time-locked wallet that receives all BUNs spent on the platform and distributes it back to members and Loot NFT every Sunday at 00:00 UTC.

NFT stands for Non-Fungible Token.

Creators are any person whose creation is being minted into an NFT for auction.

Creations are all works by creators that is embodied in the rights granted by an NFT and listed on auction. Creations can be digital only, or digital and physical.

Sets are a collection of unique NFTs belonging to a particular theme and oothat can be completed by members to unlock benefits.

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LNFTxHABN stands for the Loot NFT permissioned blockchain powered by HABN.

Cardano stands for the Cardano Blockchain.

DAO stands for decentralized autonomous organization.

Blockchain Bridge is a bridge using escrow wallets between LNFT and Cardano.

Degrees are a status level giving special benefits to members.

How do I partner with you?

Check out the "Join our Team" page on our website to contact us.

For Creators

How do creators participate?

A creator is someone who creates works (i.e, creations) that we tokenize as an NFT to list at auction.

Unlike platforms like OpenSea and Wax, creators cannot list their creations for auction by themselves. All creations are curated as part of a set of NFTs with a particular theme for which the creator is commissioned.

Creators must attest that the creation is theirs, is original, that it shall not be reproduced for commercial gain, and that they have given us an exclusive right to sell the same at auction on Loot NFT. Creators can approach us directly or work with our agents.

As a creator, do I need to convert my work into an NFT?

No. We do the tokenizing work and cover the shipping costs for creations that are physical until it is in our custody. We also take care of contracts, insurance, cataloguing, etc. However, we will require you to provide us with a high quality (4K) digital image of the creation if physical and a link to your biography or webpage (can also be Instagram or other social sites).

My creation is a physical item. When do I send it to you?

We do not require you to send us the physical item before the auction. However, we do reserve the option to hold any proceeds from your auction until we receive the physical item (i.e., you will not get paid unless we have the item in custody).

If we do not receive the item within 90 days of an auction, we may remove its description as a physical item and use the proceeds from the auction to compensate the member that won that NFT. The NFT will then remain as a digital only representation of the work.

Why do members who resell NFTs receive 60% of the proceeds of an auction and creators only receive 40%?

Reselling demands less legwork for us. In this process, we act as an agent where we take a lower fee as opposed to our work in a creators listing process. If we agree on a price, you can also sell your creation outright to us. If that is the case, having bought that item we will list it for auction in our name and you will not get any proceeds from it.

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Why do creators only receive 40% of all auction proceeds?

Loot NFT performs several roles along the value chain, including curating, custody, listing, technology upkeep, marketing, and more. These tasks come with real associated costs and differs from being an agent taking a commission on a sale. In addition, battle bidding auctions have the potential to significantly boost the visibility of a creator beyond traditional auctions. The risk to the creator is that the creation does not meet expectations, which is why we may also beforehand mutually agree on an upfront purchase of the creation instead of a consignment arrangement.

Blockchain Technology

How does the blockchain fit in?

What members see is simply the tip of the iceberg with Loot NFT as the complexity is in the gamification science and the technology behind the mechanics of an ecosystem.

We use the blockchain to:

- (a) provide assurance that no more than 500,000,000 BUNs can ever be issued,
- (b) track all member interactions (BUNs and NFT transactions) such that they cannot be falsified and to prove that we are not engaged in bot bidding to push up auction prices,
- (c) allow members the ability to secure BUNs themselves, and
- (d) create a web of smart contracts towards a complete (as much as is possible) decentralized infrastructure

known as a decentralized autonomous organization (DAO).

The DAO is expected to entrust the governance of member interactions to the members instead of a centralized infrastructure within the boundaries of the actions permitted by the smart contracts; it also allows Loot NFT, having created and launched the platform, to exit day-to-day operations, and collect royalties for as long as the blockchain on which it lives exists (and members find the activities in which they participate valuable). An analogy would be like a natural resource on a physical piece of land existing for as long as the wells keep producing (i.e., our experiment is to create a quasi-natural resource out of the meshing of technology and human interactions).

When may I send and receive BUNs from the Cardano Blockchain?

The current estimate is October 2021. Please refer to our detailed plan of future developments and implementation.

What is the total supply of BUNs?

There is a fixed supply of 500,000,000 BUNs. Approximately 20% is used for member rewards and the remaining percentage is for sales to members. There are no reserves or team allocations.

Why create a DAO?

The implementation of a DAO is an experimentation for an exit strategy while allowing members to control their own destiny to reflect what they want in a decentralized fashion. As the Oven distributes BUNs back to us for resale, we still maintain a commercial stake in the business as

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long as Loot NFT continues to engage members and generate activity.

Why do you need your own blockchain?

As a permissioned blockchain, LNFTxHABN can provide high transactional throughput and fixed transaction pricing, without our members worrying about gas pricing and all of the complexity this entails. Validators on HABN burn tokens received during the validation exercise every 500,000 blocks to earn a stake in a pool made-up of fees received by HABN customers.

What are the pieces of the puzzle to create a link between LNFTxHABN and Cardano?

This will depend predominantly on transaction frequency and value.

Interactions such as whitelist invitee, re-listing fees, or payment to creators and resellers (e.g., non-exhaustive) are all activities where transaction fees can be entertained and makes for good candidates for being governed by Cardano smart contracts.

However, the Battle Bidding process and parts of the Oven on the Cardano blockchain would be commercially prohibitive and could cause bloating; for this purpose we will keep using LNFTxHABN.

While this makes for a good plan, practical realities of how we fit these pieces together may change to reflect the best possible structure at the time of implementation. This is described in our patent pending application.

Tell me more about the NFT tokenization process.

All NFTs are tokenized on LNFTxHABN and remain under our custody. If a member requests to transfer an NFT out of our custody, we will burn that NFT (retire it from LNFTxHABN) and mint it on the member's blockchain of choice (provided that blockchain route is offered by Loot NFT).

We will provide all of the documentation for provenance purposes and it will be listed as "Burned" in the "Manifest" section of our website. Once the NFT is minted on the destination blockchain, we will then transfer it to that member's provided public address.

Note that if the NFT is linked to a physical creation, then we will request that the member take possession of the physical creation, at their cost, within 90 days from the time the NFT is burned on LNFTxHABN.

Do you have team member, advisor, and other third party BUN allocation?

No.

Why a fixed supply of tokens and not inflationary?

A fixed supply is critical. It automates member intakes, battle bidding gamification elements, removes purchase power advantage, etc. Simply put, the exclusive and gamified structure of our platform would not work without a fixed supply and Loot NFT would not exist; yes, it is that important.

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Participation

What are the steps for members to participate?

(1) Anyone wanting to join must have their email addresses whitelisted to sign up. Members may either whitelist their own email addresses before 30 June 2021 23:59 UTC or have their email addresses whitelisted by a member after 10 July 2021.

(2) If you have a whitelisted email address, click "Sign Up" on our site. Immediately after the verification process, you will be met with a paywall. Follow the instructions to send USDC to buy BUNs and you will be able to log in. You will then see your BUNs credited in your account ready to use.

(3) Choose the item you want to bid on and click "Join Auction." This requires you to pay the required BUN fee to join; this fee increases over time. Then you must tell us how many BUNs you would like to use on that particular auction. This action escrows the amount for you to bid (you can clear the amount back to your account or add more to the escrow at any time).

(4) Bid by pressing the "Bid Now" button or set the "Bid Bot." You or the bid bot can only bid 1 BUN at a time and must wait for someone else to bid before bidding again. The bid bot is activated in the last 15 seconds of an auction.

If no one else bids by the time the timer expires, you win the NFT. If someone else bids in that time period, the timer resets back to 15 seconds.

(5) NFTs can be re-listed by members for auctions (denoted with an "R" on the auction card). These auctions only start once a reserve price is met. To join, you must pay a share of the reserve price as a joining fee.

For example, if the reserve price is 300 BUNs and a minimum amount of 30 members is required, then a member's share to join is 10 BUNs. Once 30 members have each contributed 10 BUNs, the auction reserve price is met and the auction starts. If the reserve price is not met, the auction is cancelled and all BUNs escrowed to that auction revert back to the relevant members' accounts.

(6) If you win at an auction, the NFT will appear in your "My NFTs" section of our site; you can download it for display. Provided you fulfilled some pre-requisites, you can either re-list that NFT or transfer it off-site out of our custody. To resell an NFT means that you are giving up the right to own that NFT and any associated creations it embodies. NFTs sent off-site can't be reintroduced to the Loot NFT ecosystem.

How do I invite someone to Loot NFT?

On 10 July 2021, you will be able to whitelist email addresses of persons you would like to invite to become members of Loot NFT. Go to your Profile section on our website, enter the email address you would like to whitelist, and spend 1 BUN (currently). Note that there are no automated emails sent from the platform in this process. You will have to relay the information to your invitee that their email address has been whitelisted.

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How does someone that has been invited join Loot NFT?

The invitee should click "Sign Up" on our website and enter their whitelisted email address. Our system then checks whether the referrer (person that invited the invitee) has at least 1 BUN in their account, then another check to ensure that Loot NFT has BUNs available for sale. If so, they then buy BUNs as the last step of the process to login. Note that no one (invitee or member) can login unless they have at least 1 BUN in their account or they own an NFT at that time, excluding burned or resold NFTs.

Is there a cap to BUNs a member's account can have in their account?

Yes, 50,000 BUNs.

We may give degree holders (i.e., status level) a benefit that raise the maximum BUN cap per member for them from 50,000 BUNs by 10% (1st degree), 20% (2nd degree), 40% (3rd degree), 70% (4th degree), and 110% (5th degree).

What happens if I am due to receive more than the maximum allowable BUNs in my account?

All excess BUNs above 50,000 BUNs are directed to the Oven for redistribution.

I am a member and I have spent all my BUNs. Can I log in?

No one can access our member area unless they have at least 1 BUN in their account or 1 NFT that they own at that time, which excludes burned or resold NFTs. For this reason, members should keep at least 1 BUN in their account at all times unless they own at least one NFT.

How many creations will you list for auction?

Other than during the first month, we aim to list one NFT every day. Due to the battle bidding process, there is no end time for those NFTs to sell. This means that you may have several NFTs being auctioned off at the same time, known as overlapping.

The battle bidding arena only accommodates 40 NFTs at any one time (20 first-time, [new] NFTs and 20 resales, although that proportion may vary depending on member participation). Before getting to the auction arena, all NFTs are listed in a first come, first served basis in the "Upcoming" section of the Loot NFT website.

How many auctions will you have at any one time?

Over time, we anticipate up to 40 auctions running at any one time with more auctions queued in the "Upcoming" section waiting to go live on a first come, first served basis.

Can you explain the menu items "Upcoming" and "Loot Vault"?

The "Upcoming" menu lists NFTs that are waiting in the queue to go to a live auction in the arena. This is a first come, first served (i.e., auctions go live on a first listed basis). If there are 40 live auctions, when one of these are completed, the next NFT in the queue will go live such that at any one time, there is a maximum of 40 auctions in the auction arena.

The Loot Vault section of our site shows a list of all of the completed auctions.

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Will you keep a manifest of all creations on Loot NFT?

Absolutely.

Click the "Manifest" link on our site to see the status of each NFT listed. This tab shows the NFTs public addresses, whether the creation it embodies is physical, and if physical, where it is located, and the current owner's username.

I won an NFT that is linked to a physical creation. Will I receive the physical creation?

No.

That creation is on loan to us until you decide to transfer that NFT off-platform. If you decide to transfer your NFT, you have 90 days to organize shipping, at your cost, and take delivery of it. We will send you an email with all pertinent details in this process. We will then remove that creation from our manifest.

Important: If you do not take delivery of the item (or complete the shipping process) within 90 days, you will forfeit that physical creation and we may then donate it. Members should be aware that it costs us to manage the custody of each creation.

How do I relist an NFT I have won?

In your "My NFT" tab, go to the "Untouched NFTs" section, enter your reserve price and the number of members you wish to contribute to that reserve price. You must have successfully completed your KYC (Know-Your-Customer) checks, have whitelisted one USDC public address you wish for us to send the proceeds to, and agreed to our terms. Our commission for a resale is 40% and

will be paid to your nominated USDC address.

If you are not a holder of the free re-listing badge, there is a fee of 250 BUNs to relist. Press "Relist" and the NFT will be added to the "Upcoming" auctions list. At that time that NFT is on consignment to us to list for auction. This action cannot be reversed.

If you do not achieve your reserve, the NFT will be returned to your "Untouched NFTs" section. Note that a re-listed item will have 170 hours to meet your reserve price.

Can I bid on an item that I have re-listed?

No.

I do not want to re-list. Can you buy it from me and then you re-list it?

Maybe, if we can agree on a price. Also, if you are thinking of transferring off-platform, consider selling to us first. Enter the price you would like to sell the NFT and we will contact you. However, we cannot guarantee we will buy it.

What is the "Early Bird Registration"?

Loot NFT is an invite-only platform.

The early bird registration period is the only time that anyone can whitelist their email addresses before 30 June 2021 to sign up.

Anyone can sign up in Stages 1, 2, or 3 and receive early bird benefits based on when they whitelisted their

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email addresses. After 30 June 2021, all other people wanting to join must be invited (i.e., their email addresses must be whitelisted by a member).

What is the difference between "Whitelisting" and "Sign Up?"

Anyone must first whitelist their email addresses prior to signing up. Another pre-requisite to signing up is to purchase at least 1 BUN pack (containing 25 BUNs).

What happens if all BUNs are sold by Loot NFT Co LLC?

BUNs recirculate back to Loot NFT from the Oven every Sunday at 00:00 UTC. However, the number of BUNs we receive from the Oven depends on how active members are at spending them and whether an auction has concluded (BUNs from auctions are only sent to the Oven when they conclude).

If we do not have any BUNs for sale, new members must wait until after the Oven distributes BUNs to us to complete the sign up process. Hence, the best period to sign up should be between 1 and 7 June 2021.

Can I combine all my NFTs into 1 NFT if I own all NFTs in a set?

No.

When may I start inviting others to become members?

After 10 July 2021 00:00 UTC.

During the whitelisting process, what happens if someone else whitelists my email?

Every sign-up sends an email One-Time-Password (OTP). As long as you have access to your email account, no one can complete the

sign-up process on your behalf. You only enter your name, country, and password after you enter the correct OTP.

Are there any BUNs reserved for sale in each sign-up stage?

No.

However, on 31 May 2021, we may advise email whitelisters of any maximum cap we impose on BUN purchases from 1 to 7 June 2021 so that the maximum people can sign up. Thereafter, BUNs are sold on a first come, first served basis depending on availability.

Payments & Fees

How much is a BUN?

BUNs are sold in packs of 25 for 5 USDC (or ~US\$0.20 each). In the future, this is expected to transition to BUNs being sold for ADA (e.g., only, 1 pack for 5 ADA).

What is the currency in which members buy BUNs and receive payments?

All transactions are conducted in USDC, a cryptographic token that is pegged to the US dollar. We sell BUNs for USDC and make transfers to creators, resellers, and Pioneer Badge members in USDC. This allows us to frictionlessly conduct commerce.

Note: A Pioneer Badge is obtained by anyone signing up between 1 and 7 June 2021 and grants its owner (provided our conditions are met) 10% commission from all purchases of their invitees up until 31 December 2022. If you are in the US, you will be subject to receive an IRS

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Form 1099. Only 500 Pioneer Badges are available on a first come first served basis (this cap doesn't apply to the Genesis Army members who will receive Pioneer Badges if they sign up between 1 - 7 June 2021).

What are the current fees for BUN spends on the platform?

Whitelisting an invitee's email address: 1 BUN

Whitelisting a public cryptographic address used to send NFTs or USDC: 10 BUNs

Re-listing Auction Fee: 250 BUNs, unless member has a Free Re-Listing Badge

Bid at battle bidding auction: 1 BUN each

Auction Joining Fee: Starts at 5 BUNs to join, then 6 hours before the end of the original auction timer, that fee doubles.

The fee then continues to double every 6 hours of extra time (if the timer resets every 15 seconds following a bid) up to approximately 78 hours, when the auction is locked to new bidders given that it will then cost more to join an auction than the 50,000 BUNs limit imposed on every account.

Re-listing Joining Fee: Variable rate set by the owner of the NFT

Why use an internal BUN/USDC rate?

Due to the BUN bonus and rewards (e.g., referral bonuses, and Oven rewards) the value of the BUNs within our ecosystem is less than the

full price of a BUN we sell. This can result in auctions listings being overvalued (e.g., actual BUN value is 0.05 USDC but we sell a BUN at 0.20 USDC; if an auction collects 100 BUNs, the value collected is 5 USDC, not 20 USDC). In the case we need to pay creators, they will be paid 2 USDC and not 8 USDC, otherwise we would be down 3 USDC (i.e., 8 minus 5 USDC).

Hence, we cannot value the BUN at the full price at which we sell them, but instead we value it based on an internal exchange rate.

This is achieved by calculating the total amount we receive from the sale of BUNs divided by BUNs distributed in our ecosystem. The internal rate BUN/USDC is displayed publicly in the "Statistics" section of our website.

Internal rate calculations are made at the end of each auction and are locked in as the proceeds from the auction.

Over time, the net value of the internal BUN/USDC rate should tend to be a little less than 0.16 USDC (since 20% is returned as rewards (and there is a member referral bonus on an invitee's first purchase until 31 December 2022) [i.e., ~20% of 0.20 USDC = 0.16 USDC]).

What is meant by the term paywall?

The term paywall means that you cannot access a particular functionality unless you first pay to proceed.

We use two main types of paywalls:

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(a) At logging in, if a member does not have BUNs in their account, they will be directed to buy some before accessing our members' area;

(b) A member must pay for a seat to bid at any auction.

What are the different types of auction paywalls?

There are two types of auction paywalls: a price to pay to join a first listed auction and an amount escrowed to join an auction of a re-listed NFT.

In the first type, all members must pay 5 BUNs (currently) to join an auction from the time it starts. When there are 6 hours left on the original auction clock, the price to join the auction doubles.

Thereafter, the joining fee doubles every 6 hours of extra time (if the timer resets every 15 seconds following a bid) up until approximately 78 hours, when no one can join the auction (those currently bidding will carry on until the item is won by a member). This ensures each auction is seeded and penalizes latecomers.

In the second type, there is a reserve price to meet before the auction moves forward. If the reserve is not met after 170 hours, the auction is removed, and bidders receive back their escrowed BUNs.

The reserve price is shared amongst multiple members (with a minimum of 30 members being required, and the reserve not being more than the amount previously obtained in the immediately preceding auction). Once members combine to

contribute to an amount equal to the reserve price, the auction moves forward in battle bidding style for an initial auction time of 24 hours. Any members wanting to join after the auction has started must pay the member's share of the reserve price paid by all other members.

I have a Pioneer Badge. How do I get paid?

Our system tracks all invitees that you have introduced to Loot NFT and you receive 10% commissions from their purchases (in USDC) up until 31 December 2022.

The first commission period accrues until 25 July 2021, and will be paid at the end of July 2021. Thereafter, commissions accrue until the 25th of each month and will be paid at the end of that month.

To receive commissions, you must pass our KYC checks, have whitelisted a USDC public address, and have agreed to our terms. If you reside in the US, you will receive an IRS Form 1099. All commissions are sent to your USDC address at the end of the month.

How do you calculate how much an auction item receives in USDC?

We multiply our internal exchange rate for BUN/USDC at the end of an auction by the number of BUNs collected in that auction.

Can I sell my degrees?

No. Once you achieve a degree, it stays with you for life.

Can I sell my badges?

No.

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Rewards

How are Oven rewards distributed back to members?

Members receive rewards pro rata their participation in auctions in the following two ways:

(a) Ten percent of the Oven goes to members based on how many bids they have spent on auctions from the time they joined, compared to all other members since the start of auctions on Loot NFT, and

(b) Another 10% of the Oven goes to members based on how many bids they have spent at auctions over the past 7 days, compared to all other members.

Simply put, the Oven rewards long-term and recent auction participation. All Oven distributions are issued in whole numbers and any fractional numbers are placed back into the next Oven for distribution.

What are the rewards given to members other than Oven rewards?

Members may earn badges which entitle them to special benefits on Loot NFT.

For example, a Pioneer Badge (only available to members that sign up between 1 and 7 June 2021 and capped at 500 on a first come first served basis for non-Genesis Army members) allows them to earn USDC commissions from every purchase their invitees make in USDC up until 31 December 2022.

To be eligible to receive these commissions, Pioneer Badge holders must complete our KYC process

successfully. Other benefits include the following:

(a) a lifetime fee waiver for re-listing NFTs (currently at 250 BUNs)

(b) a referral bonus on the first purchase of an invitee (currently, 5 BUNs for each 25 BUNs purchased by an invitee) ending on 31 December 2022.

Will you show my name as an NFT owner if the work is displayed in a physical space?

Absolutely.

The username of the owner is displayed with the words "On loan from:" next to it. In some cases, at the request of the owner, we may display that owner's name. Allow 72 hours for us to request the change of names in the case of NFT resales.

Know Your Customer, Contracts

Will you require KYC?

We do not require KYC to log in, purchase, and spend BUNs.

However, for any dealings involving payment to members in USDC (e.g., commissions for their referrals and auction proceeds for re-listing) and transfers of BUNs or NFTs out of our custody, you must have successfully passed the KYC checks.

The KYC process goes live on Loot NFT on 10 July 2021, and USDC payments, re-listings, or NFT transfers will not be possible prior to that time.

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Are there any additional conditions beyond KYC to re-list or get commissions?

Yes, there are two conditions.

First, you must whitelist your USDC public address (can be multiple), but choose one for us to pay you in USDC. We use the USDC address on file at the time of payment.

Second, you must agree to our terms and conditions for that USDC payment to you.

Are there any additional conditions beyond KYC to transfer an NFT off-site?

Yes.

You must choose a blockchain as listed on Loot NFT and whitelist your recipient public address. This is the blockchain on which we will mint the NFT and the address to which that NFT is to be sent. The newly minted NFT will contain the particular details of transactions previously conducted on the LNFT blockchain for provenance.

Can members create multiple accounts?

There is little benefit in creating multiple accounts (or BUN-farming from multiple accounts). It is against our rules and can lead to termination of membership.

Members engaging in this practice will not be able to receive access to the full features of Loot NFT, such as sending BUNs to their off-site wallets, re-listing NFTs for sale, receiving commissions, or transferring NFTs into their custody unless they pass our KYC checks.

What happens if I do not pass KYC?

We deal with these cases on an individual and manual basis to ascertain your eligibility. In the event members breached our rules, their account may be suspended or terminated (in the centralized version of our platform). They will forfeit all their BUNs (which will be directed to the Oven) and their NFTs will be re-listed. Member sanctions may be severe if our terms are breached.

When can members complete the KYC process?

Any time after 10 July 2021.

General Q&A

What is the vision and goal?

The first is to propel the career of creators, known and unknown, no matter where they are in the world. We do this by offering another path (instead of the traditional marking, curating, critic, gallerists build up) to get recognized through highly engaging auctions, which indirectly values their work.

Second, to create an engaging platform with value for our members where they receive amazing benefits for participating.

Third, to hand over the governance and the interactions of the platform to a decentralized autonomous organization, whereby we exit normal operations (with some administrative functions entrusted to a foundation) but where we are still recognized for our work through DAO revenues based on how Loot NFT is performing at the time.

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What preventative measures are in place to stop low auction engagement?

First, there is a joining fee to an auction (added to the auction tally); this cost increases over time dis-incentivizing people joining late. This seeds the auction early.

Second, there are a relatively small number of NFTs; all are unique and offered in sets, which increases desirability.

Third, members engaged in playing the game may be on the lookout to participate to complete their sets.

Lastly, the re-listing feature may also bring value to a member that wants to sell an NFT previously obtained at auction.

What is D-Day?

D-Day is a theoretical event where the Oven has all BUNs (except lost and hodled, etc.) and the Loot NFT ecosystem awaits its distribution. As D-Day approaches, BUNs become more scarce and the last members that have BUNs (as long as they have joined an auction), are likely to win the NFTs.

If all auctions are still in progress at that time, this could result in a cascade of auctions ending, filling up the Oven as they do so.

However, since the Oven only distributes at 00:00 UTC on Sunday, there may be a situation where members have to wait until that time to participate again and Loot NFT has no BUNs to sell (it also means that no new members can sign up until that time).

Why are some dates marked "Est." on the development roadmap?

"Est." means estimate. The creation of smart contracts must be approached very carefully and undergo significant testing. The interactions and feedback by members will inform us about our design which may be implemented at the time.

Do you anticipate auctions to take days on some items?

Who knows? We will have the Guinness World Records on standby just in case.

Can you change your terms?

We may update our terms and will provide reasonable notice to our members prior to doing so.

What happens if you go out of business?

First, we hope this does not happen. But if it does, we will attempt to find a partner to sell to or run the business. Failing this, the following steps may be implemented:

(a) We will issue a press release through our social media accounts and website, requiring the owners of NFTs to take possession of same (transferring off-site), and allow a period of 90 days for this to be completed.

(b) After the 90-day period:
(i) any physical creations not picked will be donated.
(ii) all remaining NFTs will be burned on the LNFT blockchain.

(c) After all expenses for the closure of the business have been deducted, any of the remaining USDC in Loot NFT's custody will be distributed

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pro rata to the members based on BUNs in their account on the 90th day of the notice to their whitelisted USDC public address. Members must have passed their KYC and background checks for this to happen. After a 90-day period, any remaining funds shall be donated to a blockchain foundation.

(d) Thereafter, the Loot NFT website will list the custodian of the physical creations if not claimed by the owner. The site will be maintained for 12 months before being retired.

What happens if you get hacked?

No software system is 100% secure and we acknowledge that. We have taken as many precautions as would be expected from a professional in this industry. However, it is still a possibility. For the purposes of this section, we will consider the four hacking scenarios listed below, which are the most relevant and impactful. Our first step in each of these events will be to get the relevant authorities involved.

(a) Hack of our USDC accounts. In this event, the value for creators and resellers of NFTs will go down since the internal BUN/USDC rate will plummet. As the Oven redistributes to us, the BUN internal rate should go back up over time.

(b) Hack of BUNS. If BUNs are hacked in our wallet, the remaining BUNs will circle back to us for resale albeit at a slower rate.

(c) Hack of BUNs in the Oven. We will first patch and migrate BUNs sent to a new Oven. In the most extreme case, this can lead to interactions grinding to a halt.

With a member's co-operative we may, in that event, migrate to a newly issued BUN and convert the remaining old BUNs to new BUNs.

(d) Hack of NFTs. NFTs are reissued with the provenance (past transactions listed).

Advanced Q&As

Do you have a schedule for the listing of NFTs?

Yes.

We intend to list new NFTs for auction on a daily basis with a set end time. Auctions times cascade down, such that NFTs listed on Sunday will end the following Sunday (7 days), NFTs listed on Monday will end the following Sunday (6 days), NFTs listed on Tuesday will end the following Sunday (5 days), so on and so forth.

Re-listed auctions (i.e., those NFTs that are re-listed for sale by members) can be listed at any time and will have 170 hours to achieve a reserve price. When a reserve is met, the battle bidding auction starts with a timer of 24 hours to allow all members to join in. The reserve is added to the auction receipt. If the auction does not get to the reserve, it is delisted. Any member can join in a re-listed auction at any time by paying the same share of the reserve price that prior members paid to join that auction.

What is the process to bid?

First, members must pay a joining fee to bid on a new (first-time listed) NFT, or escrow BUNs to meet a member's share of a reserve price for re-listed NFTs. If the reserve is not

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met (i.e., the auction does not go ahead), the escrowed BUNs are returned to the member.

Second, members must allocate an amount they are willing to spend on each auction. They can clear that amount at any time and the balance is returned to their account, or they can add more to it.

Third, once members have allocated an amount they would like to bid for an auction, they can then set the bid bot or bid manually, or both. If the amount is entirely consumed, they will need to re-allocate more to continue bidding. This is good for members to control the amount they have allocated per auction.

Lastly, members can bid on one or multiple auctions at the same time.

Do all bids get sent to the Oven automatically from biddings?
No.

BUNs for an auction only get credited to the Oven when the auction concludes. In the meantime, the Oven will accumulate BUNs spent for other services, such as whitelisting email addresses of invitees or of public cryptographic addresses, NFT re-listing fees, etc.

How long do we have to wait for a D-Day?

D-Day is theoretical and dependent on several factors, such as how long an auction lasts, how many members are bidding in the last 15 seconds, how many NFTs are on auction, what the re-listing reserves are, how many BUNs are off-platform, or lost, or hodled, etc. Technically, our models

show that it is possible in a 21-day period, but that is very unlikely.

Does a D-Day scenario mean that new auctions will only be available to members that have kept BUNs to pay the joining fee before they lockup to other participants?
This is unlikely.

All of our listings end weekly following an Oven release. It means that members should be able to join an auction at 5 BUNs before the joining fee doubles (only in first-listing scenarios).

Have you capped your revenues?
We have other avenues for growth, such as creating Loot NFT sub-sites on a country basis to help creators there; they could then gravitate to the Loot NFT site, much like the football World Cup which has different qualifying regions before getting to the World Cup. These sub-sites could use tokens with different tokenomics, but the same or similar approaches.

Regarding the cap of 50,000 per account, how do you stop members from buying from Loot NFT and sending them off-site and purchasing more so that they have more than 50,000 BUNs combined?

A member's cap is the sum of all BUNs they have sent off-site (since BUNs are blockchain assets) and their balance on Loot NFT (which includes amount allocated in live auctions). Hence, they are not able to buy more from Loot NFT unless they use their BUNs on Loot NFT. In order to send BUNs off-site, they are also required to pass our KYC checks, which stops multiple

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accounts from being used to buy BUNs and consolidate off of Loot NFT.

Can a member buy BUNs at any time or is the cap of 50,000 BUNs a onetime lifetime cap?

Members may buy BUNs at any time and so long as this cap is not reached.

For example, if John buys 50,000 BUNs and spends 1,000 BUNs in an auction, he will be able to purchase up to 1,000 BUNs.

The following are important notes for BUN purchases:

(a) BUNs are sold in packs of 25, which means that if a member spends 1 BUN at an auction and wants to buy BUNs, they will not be able to do so. That member must make room for at least 1 pack.

(b) If a member has allocated BUNs to auctions or escrowed to a re-listed auction, these BUNs are treated as if they had not left the account of that member (since they still have control of those BUNs).

For example, John has 50,000 BUNs. He allocates 5,000 BUNs to an auction. His account balance shows 45,000 BUNs. He tries to purchase more BUNs. He cannot do so until he spends these BUNs.

For reserve escrows, these amounts are locked in and cannot be cancelled. It is only returned if the auction does not go ahead.

If I have sent 50,000 BUNs off-site and I am not able to sign up unless I buy BUNs, but they are all off-site and I cannot buy more, what do I do?

Send the BUNs back to Loot NFT.

Each member has a public BUN address on Loot NFT. If you do not know your Loot NFT public BUN address, when you log in, and after the email OTP confirmation page, you will be presented automatically with your account's public BUN address. You can then send BUNs to that address. Once the off-site BUNs are received, you can log in.

Can members send in BUNs from another non-whitelisted public BUN address to their account?

Yes, but any amounts over their 50,000 BUN cap will be sent to the Oven for re-distribution to the Loot NFT ecosystem. Members must be mindful not to send more than the cap they are entitled to; otherwise, they will lose the additional amount.

If NFTs are added every day and there is a limited supply, does that mean that over time the remaining NFTs get valued less?

We do not know. We generally do not address the future value of NFTs as we do not want our words to be taken out of context, but we think that in this instance we can list certain aspects that may affect an NFTs value for general informational purposes.

For fungible tokens valued in a pair with respect to another, inflating one token in relation to the other generally means that the inflated one loses value. In our case, we are adding more NFTs while keeping

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more like valuing gold with respect to an inflationary US dollar, although even that is a stretch; but you get the idea!

On Loot NFT, the following need to be considered:

(a) The arena has at a maximum of 20 first-listed NFTs and 20 re-listed NFTs at the same time (40 NFTs on auction); this proportion of first-time/re-listed NFTs may change depending on participation. All other items wait on a first come, first served basis in the "Upcoming" section of our website. Once a spot frees up in the auction arena, that next NFT goes on auction. This focuses the attention of the bidder only on a few items at any one time.

(b) Members that want to complete sets have to hold on to a number of NFTs, effectively temporarily taking them out of circulation (i.e., like an NFT staking). For example if a member has a 3 out of 5 set, they may want to get to the 5 out of 5 set to get the mystery gift.

(c) Some NFTs may attract more attention than others, such as if we have a custom car by a particular creator in a themed NFT set for mechanical objects.

(d) NFTs may not be sold by hodlers since NFTs may have value in themselves to those members.

(e) NFTs can be sent off-site. This reduces the amount of NFTs in the ecosystem and can balance out with the incoming NFTs such that certain NFTs may have more value off Loot NFT than on it to a member. This means that a fresh contingent of

NFTs can take the spots of the older ones.

(f) The number of members on Loot NFT is relevant to the bidding fervor at auction.

(g) In a decentralized ecosystem, we intend to transition to pricing the BUNs with a set amount of ADA (Cardano Native Token); for example, 1 pack for 5 ADA. We originally intended to launch by selling BUNs to ADA before replacing it with USDC for several practical reasons. In relative fiat terms, BUNs may fluctuate in the future with the price of ADA.

Are there any additional benefits to more BUNs out of the Oven to holding a degree?

Maybe.

We may give degree holders a benefit that raises the maximum BUN cap per member for them from 50,000 BUNs by 10% (1st degree), 20% (2nd degree), 40% (3rd degree), 70% (4th degree), and 110% (5th degree) to make room for the increase in rewards those members receive.

LOOT NFT

For more information, consult the following:
Our "A Member's Guide" booklet, infographics,
product overview, timeline, and flyers.



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Disclaimer: This document is notarized on the LNFTxHABN blockchain (hashed and timestamped). We reserve the right to amend any of the information listed herein and reissue updates from time to time subject to our terms, which can be found on our website. Any such updates will be notarized as a subsequent version.

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