



# ACORN COLLECTIVE

**The First Completely Free and Open-Access  
Blockchain Crowdfunding Platform**

Latest Update: 06 March 2018

Version: 1.5.2

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## **The Acorn Collective wants to make crowdfunding free.**

- » We're building a blockchain-based crowdfunding platform that is free-to-use and allows almost any legal project from almost any country to be listed on our platform.
- » We want to promote social enterprise and democratize access to funding, as crowdfunding has already done successfully in developed countries.
- » However, this is much less the case in developing and emerging economies, which is something we wish to change.
- » Our ecosystem will comprise of
  - a crowdfunding hub;
  - a secondary marketplace to sell post-crowdfunding goods & services;
  - a point-of-sale payments app;
  - the Acorn token ("OAK"), facilitating the use of all transactions in our ecosystem and connecting backers, founders and consumers through a single token.
- » Traditional crowdfunding platforms are funded traditionally. Outside investors buy equity and expect a return from platform profits.
- » We aim to use an ICO for funding, meaning returns for token holders are no longer from equity or profit-sharing, but simply from growth of the ecosystem and OAK.
- » Our proposed funding model and the use of blockchain for transactions means we can offer crowdfunding for free.

## **In short – we're changing the crowdfunding industry, by crowdfunding it.**



# Disclaimer

This White Paper has been issued by Acorn Collective Limited on 18 Dec 2017 and should be read in conjunction with the Company's [ICO terms and conditions](#) (the "Terms").

The purpose of this White Paper is to provide prospective purchasers with the information on Acorn Collective Limited to allow the prospective purchasers to make their own decision as to whether or not it wishes to proceed to purchase an OAK token. This White Paper does not constitute an offer or invitation, or any other sale or purchase of shares, securities, or any of the assets of the Company.

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The purchase of OAK tokens is only possible after the prospective purchaser has read, understood and accepted the Terms. Each prospective purchaser will be required to acknowledge that it made an independent decision to purchase the OAK tokens and that it is not relying, in any manner whatsoever, on Acorn Collective Limited, its Board of Directors or any other person or entity (other than such purchaser's own advisers). Prospective purchasers are urged to consult their own legal, tax or other advisor before purchasing OAK tokens.

Acorn Collective Limited and its Board of Directors do not provide any advice or recommendations with respect to the OAK tokens, nor do they endorse such tokens, nor do they accept any responsibility or liability for any use of this White Paper by any person which is in breach of any local regulatory requirements with regard to the distribution of this White Paper or any applicable rules pertaining to the offer of OAK tokens.

Statements made in this White Paper are based on the law and practice currently in force in Gibraltar and are subject to changes in those laws.



## Contents

|             |   |           |
|-------------|---|-----------|
| <b>1.0</b>  | <b>INTRODUCTION</b>                               | <b>1</b>  |
| <b>2.0</b>  | <b>THE ACORN COLLECTIVE</b>                       | <b>5</b>  |
| <b>3.0</b>  | <b>THE OAK TOKEN</b>                              | <b>9</b>  |
| <b>4.0</b>  | <b>TOKEN GROWTH &amp; STABILITY MECHANISMS</b>    | <b>16</b> |
| <b>5.0</b>  | <b>REVENUE GENERATION MECHANISMS</b>              | <b>19</b> |
| <b>6.0</b>  | <b>PLATFORM SECURITY &amp; DEVELOPMENT</b>        | <b>23</b> |
| <b>7.0</b>  | <b>TEAM &amp; ADVISORS</b>                        | <b>24</b> |
| <b>8.0</b>  | <b>REGULATIONS, COMPLIANCE &amp; JURISDICTION</b> | <b>28</b> |
| <b>9.0</b>  | <b>ROADMAP</b>                                    | <b>29</b> |
| <b>10.0</b> | <b>RISKS</b>                                      | <b>30</b> |
|             | References  | 34        |

### Definitions:

|                    |   |
|--------------------|---|
| Acorn Collective   | Acorn Collective Limited, a company limited by shares incorporated in Gibraltar, that is responsible for the development of the products outlined in this whitepaper. |
| Backers            | Users of the Acorn Collective's platforms that pledge OAK tokens in support of a project.   |
| Founders           | Users of the Acorn Collective's platforms that create and list their project as a crowdfunding campaign for backers to support.                                       |
| Project            | A venture that is created and listed on the Acorn Collective's platforms for crowdfunding.  |
| Acorn token or OAK | An Ethereum blockchain, ERC-20 digital token that is used for most transactions between different users within the Acorn Collective's platforms.                      |



Crowdfunding, the concept of raising many small contributions through an online funding platform, first appeared in the early 2000s, but it was only after the launch of Indiegogo in 2008 and Kickstarter in 2009 that crowdfunding gained considerable traction (Freedman & Nutting, 2015). Since its founding till August 2017, Kickstarter has channelled over USD 3.2B from more than 13 million backers to fund almost 130,000 projects. Moreover, Indiegogo has raised more than USD 1B in funding. In terms of ICOs, over USD 3B was raised in 2017 alone (as of November).

**This is not merely a passing fad; business experts agree that crowdfunding is here to stay (Assenova et al., 2016).**

The impact of crowdfunding on global finance and entrepreneurship is undeniable. In 2015, the total global crowdfunding volume was estimated to be USD 34B (Massolution, 2015). A 2013 World Bank paper titled “Crowdfunding’s Potential for the Developing World” predicts crowdfunding to reach USD 90-96B per year by 2025. A 2017 report by MyPrivateBanking claims total crowdfunding could reach a staggering USD 1 trillion per year.

## 1.1 Why We’re Here

The lack of proper funding is the biggest issue holding back new innovation and projects that have the potential to change and improve our society.

**Crowdfunding democratizes access to funding.** It uses internet-based technology and the collective knowledge of communities to determine which projects should receive funding while providing real-time feedback on interest to proposed ideas.

Or so we were led to believe.

The reality is that crowdfunding is still a closed shop, with the main platforms rejecting the vast majority of projects, selecting those that fit limited, self-serving criteria. Like any great idea, crowdfunding has suffered in practice from a protectionism that denies its better values in principle.

Emerging markets and less economically developed countries are denied access to the largest platform. Criteria are set for creativity and a minimum number of backers. From

their roots as free access markets, the larger platforms have limited crowdfunding by implementing restrictions that approach the stringency of venture capital or bank loans. For projects that do make it through, there is little support and a fee of 5-10% for minimal service.

### **This needs to change.**

Our vision is to create a platform that truly supports founders. We want to accept and support rather than reject and ignore. **Acorn will never reject a legal and ethical project (see our [project approval criteria](#)) - if founders can find backers, they deserve a platform that will support them.**

## **1.2 Why Blockchain and Why an ICO?**

We want to promote social enterprise globally by making crowdfunding free and more open.

Current fee models are typically 5% in platform fees and 3-5% in transaction fees. This is a drain on startups looking for funding and is an easy thing to fix.

Using blockchain for transactions means we can expect to all but eradicate transaction fees, with only minimal Ethereum network fees. These have been negligible in the past.

Funding via an ICO means we can aim to eradicate the 5% platform fees for crowdfunding. If successful, an ICO would give us the resources to implement our [Revenue Generation Mechanisms](#), which we intend to use to support this platform and keep it free to use.

**We believe this is a huge competitive advantage.** It doesn't get cheaper than free and early incentives are available to rapidly accelerate growth (for details see our [Project Incentive Fund](#)).

Lastly, an ICO also means we would not need funding via outside investors.

Traditional crowdfunding platforms are themselves funded traditionally - funds come from outside equity shareholders who want returns through company profits. This makes them allocate resources only to where they can achieve the most earnings, charging fees and conceivably giving rise to more restrictive project approval criteria.

At Acorn, this is different - There is no obligation to generate platform profits for outside shareholders.

ICO participants and other token holders, including the company, are rewarded by growth of the OAK ecosystem.

We intend to achieve this growth by offering crowdfunding for free and a much less restrictive project approval policy.

## 1.3 A Note on Emerging Markets

Developed countries exist in the established banking paradigm of stable central currencies and retail banking. This is very much not the case elsewhere, where mobile banking and other alternatives are common if not the norm. Traditional loan and equity financing are similarly difficult to access.

Emerging markets and less economically developed countries are already showing an active engagement with crowdfunding from government bodies and NGOs such as the World Bank.

Our proposed pricing structure and open approach to accepting most legal projects place us in a perfect position to access these untapped markets.

To be clear, it is not our intention to have a two-tier platform that segregates campaigns from different economies, but merely to allow and encourage access universally, with an expectation for emerging markets to adopt the platform as widely as developed economies.

## 1.4 Our Competitive Advantages

The Acorn Collective will have to compete with large, established platforms like Kickstarter and Indiegogo, as well as new digital currency based platforms such as KickICO and FundYourselfNow.

### **In a nutshell, here's how we plan to be better and grow our user base**

1. We are completely free for our users - Other platforms charge between 4% to 10% in fees.
2. The crowdfunding market is still in its infancy, with a potential to reach anything from USD 90B to 1 trillion per year by 2025 (World Bank, 2013; MyPrivateBanking, 2015). We'll allow most legal projects to list on our platform irrespective of where the project originates from and irrespective of each project's type. Project types could include but are not limited to commercial, creative, research, charity and personal causes. We wish to expand project exposure in new markets where previous access and competition are low.
3. Goods from successful projects can automatically be listed and sold on the [Acorn Marketplace](#) with no fees for campaign founders.

4. Subject to the success of our ICO, we have designed [Token Growth & Stability Mechanisms](#) (more particularly described in [Chapter 4](#) of this Whitepaper) intended to increase the value of OAK starting after token distribution. These mechanisms include:
  - 4.1. [The Project Incentive Fund](#) will seek to provide generous starting bonuses to incentivize early adopters and reward recruitment of founders, backers and token users into our ecosystem. This can be a double accelerator - not only will the platform be free but it would also reward those generating early traction with incredibly generous incentives. It's a mechanism to employ a huge marketing budget in an area where it should conceivably allow rapid growth for the platform and token.
  - 4.2. Our [Liquidity Reserve](#) is intended to mitigate OAK price fluctuations related to large campaign payouts.
  - 4.3. Subject to obtaining the required license or establishing a relationship with an existing licensed insurer, we intend for backers to have the option of buying [Project Backer Insurance](#). For an additional fee, they could insure themselves up to the full value of their commitment against the possibility of project failure. We hope this will lower some of the objections to pledging funds.
  - 4.4. [Affiliate Rewards system](#): If implemented, this would provide rewards for anyone who can successfully recruit new users to participate in our platforms and therefore use OAK and our ecosystem.
  - 4.5. [Frictionless OAK Purchases](#): We intend to connect with the APIs of exchanges and popular wallets to integrate them into our platform, creating a frictionless transaction environment.
  - 4.6. [Partnerships](#): We intend to actively explore partnerships with campaigns created on Acorn Hub as well as 3rd party platforms to integrate OAK and increase its utility
  - 4.7. [OAK listing](#): We will endeavour to achieve an early listing of the OAK token on digital currency exchanges, shortly after completion of the ICO. This would ensure contributors have a viable exit strategy as well as to allow new users into our ecosystem.
5. All of the above features and systems are intended to generate demand for the OAK token in the face of a permanently fixed supply.





## 2.1 The Acorn Hub

### Connecting project founders and project backers with minimal central intervention

Our vision is for the Acorn Hub to be the centrepiece of the OAK ecosystem, on which founders create their crowdfunding campaigns. Backers use OAK to fund these campaigns in return for rewards (and possibly equity in the future). In effect, we leave it up to the community and its collective wisdom to decide which projects are worthy of their support.



**ACORN**  
HUB

Uniquely for crowdfunding, our guiding principle is minimal intervention. The platform should encourage users' creativity by keeping rules, requirements and intervention to a minimum.

Subject to a short and relatively simple approval process described in chapter 2.1.1 below, anyone would be able to sign up and create a project, from almost all countries in the world. Virtually all categories are allowed, including, but not limited to, commercial, research, charity, personal causes or some other, still undefined category. The requirements include that the project must be legal, provisionally set as according to Gibraltar and EU laws, and not harmful, for which we intend to establish an ethics board and community voting.

**Crowdfunding on our platform will be free.** This is made possible by implementing separate [Revenue Generation Mechanisms](#) to cover our operating expenses.

### 1.4.1 Project Approval Criteria

A short, but robust screening process will be implemented to analyse projects' compliance. Two or more project moderators will perform an initial check. They will flag any potential prohibited projects for further review. This will include scrutiny by legal experts, as well as potentially an ethics board and finally a community vote.

Any projects deemed illegal will not be approved. Legal, but otherwise ethically questionable projects will be reviewed by an ethics board and, if still undecided, a community vote.

We envision our ethics board would be made up of a representative group of individuals from different cultures, genders and industries to ensure project compliance with our principles, after being presented with full project details, a legal opinion and the concerns of our initial project moderators.

Should the decision still be uncertain, the approval will be put forward to a community vote. Our active users, such as those who log in regularly and have participated in OAK transactions on our platforms before, can then come to a collective conclusion on whether a project may proceed.

To be clear, an illegal project will be rejected immediately and will not be subject to any additional review by the ethics board or community.

We hope this explanation can elucidate the project approval process but also demonstrate our belief that we expect the vast majority of projects to be straightforward and approved within days rather than weeks.

Subjective qualities of the idea or business itself, such as commercial viability, pre-existence of a social following, existing customers or revenue and level of creativity or innovation will not be considered. In the spirit of decentralization, we think these are subjective qualities that should not be judged and evaluated by the platform administrators, but by the community.



### **FOUNDERS**

Anyone, from anywhere in the world with a great concept  
Raise funds to execute your project



### **PROJECTS**

Any category\*

- » Commercial
- » Charity & Good Causes
- » Creative
- » Research & Science
- » Other category that none of us have come up yet

\*Excluding those that are illegal or directly cause harm



### **BACKERS**

Anyone, from anywhere in the world with an email address  
Receive rewards for backing projects

## 2.2 Acorn Marketplace

### Bridging the gap between campaign and future profitability

The Acorn Marketplace will be a post-campaign retail platform for goods and services that were successfully funded on The Acorn Hub, provided at no additional cost to Acorn founders. This will provide instant visibility while letting founders get a free and effective new sales channel to reach users who have already expressed an interest in crowdfunding and the projects.



**ACORN  
MARKET**

While platform access is free for Acorn founders, we will also accept innovative 3rd party products for a small commission. The aim is to add value to the marketplace, Acorn founders and the OAK token, in the form of increased utility.

### 2.2.1 Transactions

We aim to initially allow payments in both fiat currency and OAK tokens. As the market capitalization of OAK and the number of users increase, we hope the use of fiat currency on our platform will decrease naturally due to the higher transaction processing fees incurred from fiat payments.

Once again, we hope by increasing the utility and demand of OAK in the face of its fixed supply, we can generate long-term upward pressure on the value of OAK.

## 2.3 Acorn Local

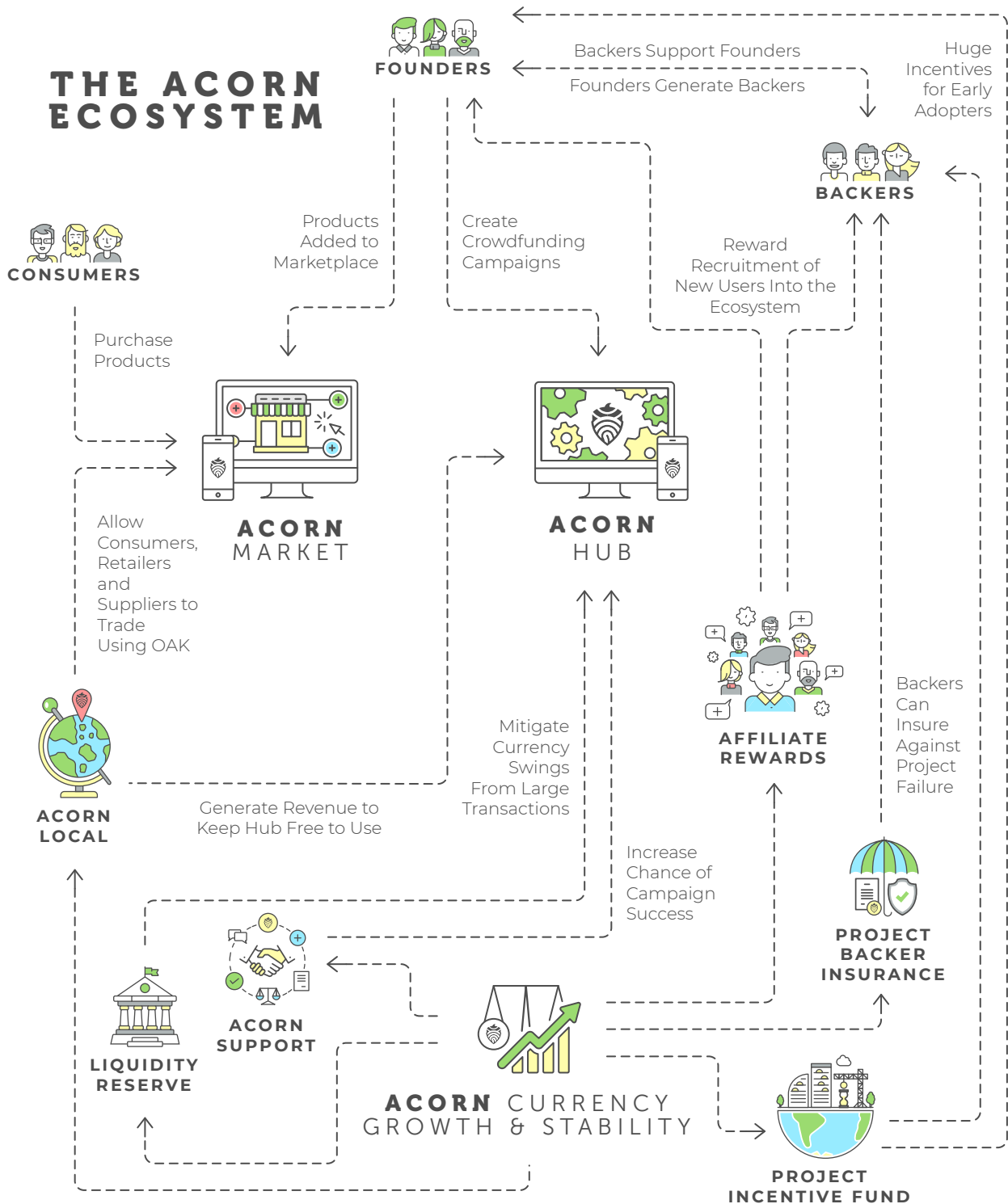
We want the Acorn platform to have a real, positive impact on the economies we operate in. As described in this document, our strategy in developing countries is to actively foster access on a local and regional level. Conceivably, a product of this will be communities where the number and concentration of post-funded Acorn projects is particularly high.



We aim to provide a simple payments app in these areas that allow consumers, retailers and suppliers to trade using OAK. This can give backers and founders added utility for tokens and the advantage of secure currency exchange afforded by blockchain.

This approach has benefits to the Acorn Collective as it allows much richer data on the downstream value of crowdfunded goods and services as well as information on the local economy. It also creates a more connected OAK ecosystem and allows the token to flow more effectively without reaching exchange endpoints.

Once created, the app itself could have an added business advantage by providing data that can improve customer and business insight, leading to management information tools that are common in western economies such as through EPOS and CRM.





### 3.1 Token Introduction & Economics

We will issue a new ERC-20 standard token called OAK on the Ethereum blockchain.

OAK will be the main exchange mechanism within our ecosystem. Our aim is that:

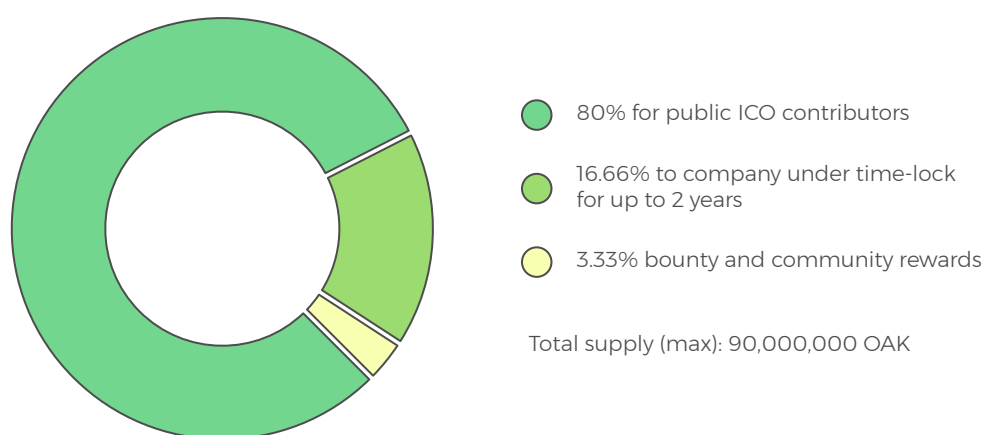
- » Backers will be able to fund projects using OAK token
- » The Acorn Marketplace will enable users to purchase goods and services using the OAK token
- » The Acorn Local mobile payment app allows point-of-sale transactions using the OAK token
- » Founders will be able to buy additional Acorn Support services with OAK tokens
- » Fixed supply token of max 90,000,000 OAK

### 3.2 Token Allocation

OAKs will be distributed in return for ETH contributions. Our Pre-Sale funding target is USD 5M. Our Main ICO target is USD 50M with a stretch goal of USD 100M. The minimum funding threshold for the Main ICO is USD 5M.

## Token Allocation

---



|                   |  |
|-------------------|--|
| Exchange Rate     | 1 OAK = USD 0.70 (Pre-Sale price)<br>1 OAK = USD 1.40 (Main ICO price)<br>Final OAK vs ETH exchange rate will be fixed on ICO begin, to protect intended USD raise target. |
| Pre-Sale          | 7,000,000 OAK (50% discount)   |
| Main ICO Soft Cap | 3,500,000 OAK  |
| Main ICO Target   | 35,000,000 OAK   |
| Main ICO Hard Cap | 65,000,000 OAK   |
| Total Public Sale | 72,000,000 OAK   |
| MAX Total Supply  | 90,000,000 OAK   |

### 3.2.1 Pre-Sale Phase

This will last for a period of several weeks but will end prematurely if a Pre-Sale cap of USD 5M is reached. The exchange rate will be set as 1 OAK = USD 0.70\*, which represents a discount of 50% of the standard OAK price.

\*the Final OAK vs ETH exchange rate will be fixed on ICO begin, to protect intended USD raise target.

There is no minimum funding target for the Pre-Sale.

The Pre-Sale is now complete and we SOLD OUT!

### 3.2.2 Main ICO Phase

The Main ICO phase is scheduled to take place on April 28th - May 28th. The token will be priced at 1 OAK = USD 1.40\*, with a funding target of USD 50M and a stretch goal of USD 100M in ETH equivalent.

\*the Final OAK vs ETH exchange rate will be fixed on ICO begin, to protect intended USD raise target.

The minimum funding threshold is USD 5M in ETH equivalent, below which token backers will receive a refund.

## 3.3 Post ICO Phase

### 3.3.1 Next Steps

**What happens next will depend on the following:**



#### **Funding threshold not reached**

Should we not reach our minimum funding threshold, the contributions from our main token sale will be refunded to all investors.

Contributions from the Pre-Sale phase will not be refunded and will be used to continue development of our MVP and schedule another coin offering in the future.



#### **Partial Success**

If our token sale exceeds the minimum threshold, but we do not reach our target of USD 50M in ETH equivalent, we will consider issuing a second tranche of OAK tokens at a later stage.

Once we have attained our funding target, we will disable new minting immediately and will never hold another token sale again.



### **Success**

If we attain our main target of USD 50M or more, the smart contract will disable new token generation **forever**.

### **3.3.2 Company Allocation with 1- and 2-Year Lockup Period**

16.66% of tokens will be allocated to the company and be time-locked. Half will be released after 1 year and the remaining half will be released after 2 years.

These tokens will act as a reward to founders and crucial team-members, providing an incentive for the success and growth of the OAK token and its ecosystem.

## **3.4 Use of Funds from OAK Distribution**

### **3.4.1 Funds from Pre-Sale Phase**

Funds raised in our Pre-Sale Phase will be used entirely towards achieving our objective of raising USD 50M in funding during our main ICO. Specifically, they will be used to:

- » Begin development of a minimum viable product of our platform
- » Grow awareness for The Acorn Collective and its upcoming ICO
- » Reach out to prominent leaders in the fields of tech, digital currency, crowdfunding and philanthropy that we could bring on board to act as advisors or team members

As such, funds from the Pre-Sale phase will NOT be refundable.

### **3.4.2 Funds from the Main ICO**

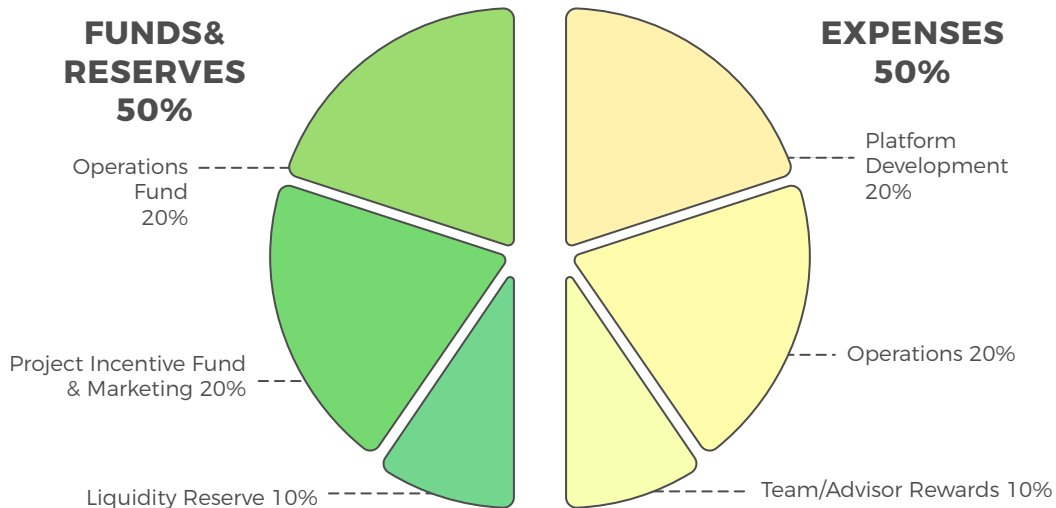
Funds raised in the Main ICO Phase will be used towards platform development, fund our [Revenue Generation Mechanisms](#) and implement our [Token Growth & Stability Mechanisms](#). Subject to the success of our fundraising, the sequence of development is described in our [roadmap](#).

**Below we outline the projected use of funds in 3 different fundraising scenarios**



## Minimum Fundraising Level Achieved - US\$5M+

Total: US\$5M + leftover funds of pre-sale (if any)



### 50% Funds & Reserves

- 10% Liquidity Reserve
- 20% Operations Fund
- 20% Project Incentive Fund & Marketing

### 50% Expenses

- 20% Platform Development
- 20% Operations
- 10% Team/Advisor Rewards  
**(not for the founders)**

### Comment

Our USD 5M minimum funding level allows us to create an MVP, validate our go-to-market and commercial strategies and gain early traction.

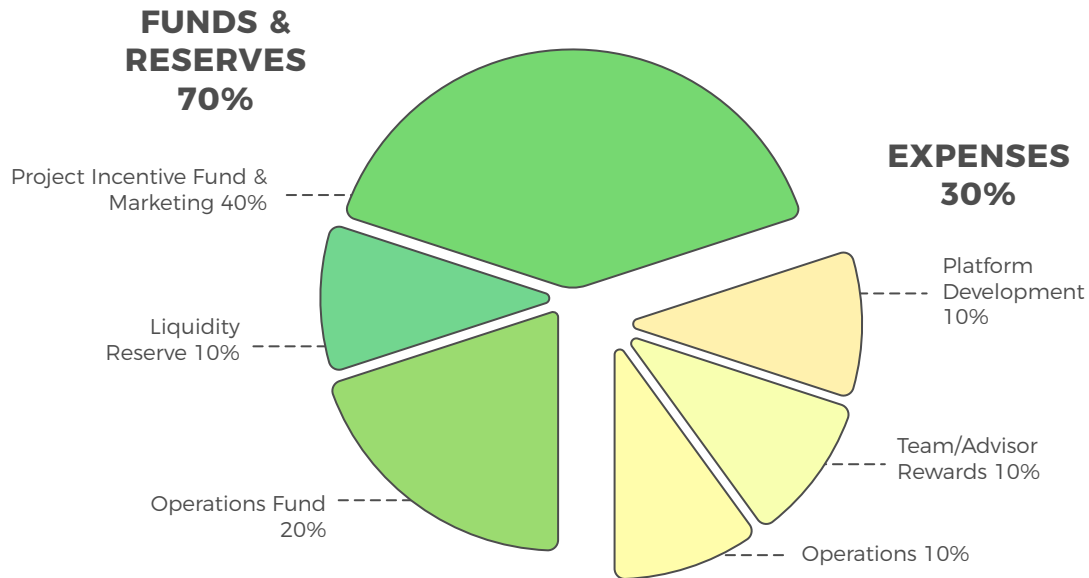
If only the minimum fundraising target is met we would hold a second coin offering after the platform is built.

Rather than attempt a global platform with minimal funding, we would target a number of specific markets based on selection criteria. This criterion would include the potential for cryptocurrency adoption, the presence of other platforms, familiarity with crowdfunding and accessibility. Our aim would be to produce robust, scalable technology and a market approach that's measurable and iterative.

We would aim to have the platform complete by Q3-4 2018 with a view that we run a second coin offering in late Q4.

## Moderate Fundraising Level Achieved - US\$50M+

Total: US\$50M + leftover funds of pre-sale (if any)



### 70% Funds & Reserves

- 10% Liquidity Reserve
- 20% Operations Fund
- 40% Project Incentive Fund & Marketing

### 30% Expenses

- 10% Platform Development
  - 10% Operations
  - 10% Team/Advisor Rewards
- (not for the founders)**

### Comment

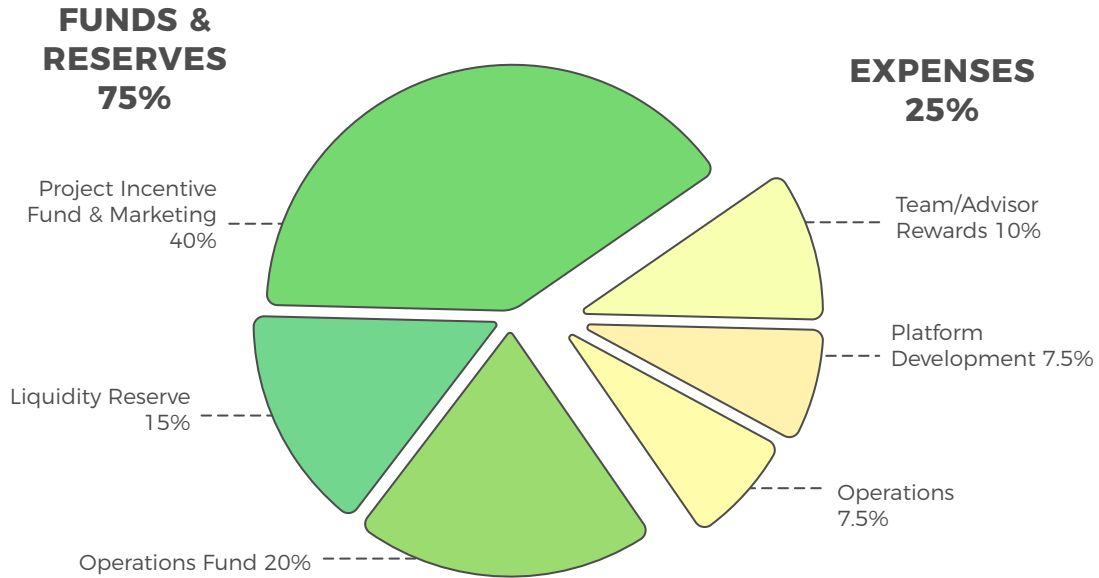
Reaching our target enables us to aim for a global platform with the resources to effect genuine change.

The effect on the platform itself is that it would be built with features beyond MVP, including community monitoring, automation around support service requests and an enriched project posting environment. The platform would be immediately available in more markets with regional centers promoting the platform and entrepreneurship in developing countries, along with a more aggressive strategy in western countries.

Most importantly, a USD 50M raise gives the Operations and Project Incentive Funds the potential to be fully realized, giving sufficient capital for an adequate return to cover costs and effective incentives to promote early adoption, respectively. These are the engines that power growth and keep the platform free to use.

## Fundraising Target Achieved - US\$100M

Total: US\$100M + leftover funds of pre-sale (if any)



### 75% Funds & Reserves

- 15% Liquidity Reserve
- 20% Operations Fund
- 40% Project Incentive Fund & Marketing

### 25% Expenses

- 7.5% Platform Development
- 7.5% Operations
- 10% Team/Advisor Rewards  
**(not for the founders)**

### Comment

The stretch target increases the Project Incentive Fund and Operations Fund even further and grows the Liquidity Reserve in line with the anticipated larger scale platform adoption.

This is a moonshot and would enable us to create a platform that rapidly competes with the largest competitors in a robust and scalable way. What we're trying to do is nothing short of transforming the most rapidly-growing widescale funding model for businesses. This is a big goal, and with our stretch goal achieved, becomes much closer to a reality.



## Token Growth & Stability Mechanisms

### Breaking into an established market

Every new web platform faces the same problem. A lack of early adopters results in an empty platform, low interaction and a downward spiral.

Acceleration of acquisition is critical to competing effectively within an established market.

We have already introduced a fee structure and market access policy that creates much better value for founders and competes with established platforms. This is a virtuous circle where zero fees and open access drive great projects, more backers and more viral growth.

We want to accelerate this growth further. We intend to create mechanisms that encourage platform growth and stability, generating better value for early stakeholders, project founders and backers.



## 4.1 Project Incentive Fund

### Rewarding Founders and Champions of our Ecosystem

The Project Incentive Fund is one of the cornerstones of our plan to achieve initial success in terms of platform growth and OAK token price appreciation.

Our incentives are designed to counter initial inertia by rewarding early adopters AND rewarding their recruitment of founders, backers and coin users into our ecosystem.

We have designed several different kinds of incentives.



### 4.1.1 Incentives for Project Founders

#### Each project founder recruits many backers, so we need to incentivize them

Here are examples of incentives we intend to institute for project founders:

1. Match funding 1:1 (up to a certain figure), to double the funding for each project.
2. Provide an initial percentage of the intended raise below the minimum funding threshold (e.g. 20-50%).
3. Provide generous startup funding to attract serious project founders, but in exchange for equity. Startup funding can only take place if done alongside a crowdfunding campaign on our platform and will be at our discretion.

We aim to provide match funding to select founders (up to a certain figure), doubling their funding and incentivizing participation. For some others, we intend to provide the early traction they need to help their project get started. These incentives will be provided on a case-by-case basis and will be aimed at rewarding those projects we think will be great at recruiting backers into the Acorn Hub and ecosystem.

These investments will be backed by the Acorn Support services team, who will also be on hand to help founders market and develop their ideas and therefore the platform.

#### **4.1.2 Incentives for Project Backers**

We are aware that an element of friction still exists in encouraging backers into digital currency. For the platform to achieve the global reach we aspire to, we need to incentivize backers who are new to digital currency into the OAK token.

1. Our mechanism for this is simple and direct. We intend to provide starting bonus OAK to early backers for them to spend on further projects, essentially allowing them to back projects and receive rewards for free.
2. We intend to incentivize referrals in a similar way, by rewarding those who successfully recruit new users into our ecosystem, as part of our [Affiliate Rewards system](#).

We are confident that this should have the effect of making digital currency adoption more attractive and will create backers who are more willing to explore and become familiar with the platform.

#### **4.1.3 The Benefits - Build a Strong Foundation Immediately After Launch**

We intend to allocate a significant proportion of ICO proceeds to the Project Incentive Fund. We strongly feel this allocation is not only the most powerful deployment of marketing resources available but should enable a direct, manifest impact on platform and token stability in the early stages of the ecosystem. It is one of the primary reasons for aiming towards a USD 50-100M funding goal of our ICO.

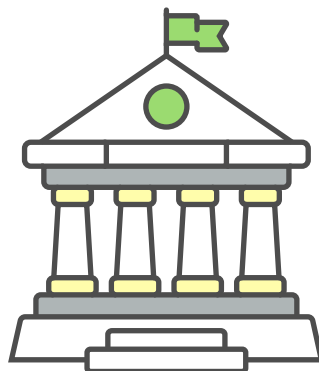
Crowdfunding is inherently expansive and we believe this allocation of seed capital into the marketplace not only secures early traction and marketplace activity but

places people first. It focuses on great founders and active backers, securing the early successes necessary for growth while supporting initial backers of the OAK token.

## 4.2 Liquidity Reserve

Initially, a part of our ICO proceeds will be allocated to our liquidity reserve.

If founders opt to receive their funding in BTC/ ETH or fiat instead of OAK, we will use funds from our liquidity reserve to pay them. The additional tokens that we are holding will then be gradually re-sold on to the open market.



We have designed this mechanism to make currency exchange easier and to protect against large currency releases as successful projects disburse funds. As the number of projects increases over time, the additional demand created for our token will increase liquidity and minimize the impact of these transactions.

## 4.3 Additional Mechanisms

### 4.3.1 Project Backer Insurance

Subject to obtaining the required license or establishing a relationship with an existing licensed insurer, we intend for backers to have the option of buying Project Backer Insurance. For an additional fee, they could insure themselves up to the full value of their commitment against the possibility of project failure.

### 4.3.3 Frictionless OAK Transactions

We intend to connect with the APIs of exchanges and popular wallets to integrate them into our platform, creating a frictionless transaction environment. This should lessen the need to select and understand third-party systems.

### 4.3.2 Affiliate Rewards

Existing founders or backers who generate successful referrals and recruitment of new users into our ecosystem would be rewarded with a commission, incentivizing increased adoption of OAK tokens.

### 4.3.4 Building Partnerships to Increase OAK Utility

We will actively explore opportunities for integrating the OAK token into other platforms, such as projects listed on the Acorn Hub or other third-party services, with the overall aim of increasing its utility.

## 4.4 Why OAK Value Will Grow

OAK is a deflationary token; with a fixed supply cap, the price of OAK is determined purely by demand. Demand is driven by the number of users of OAK and its utility. Thus, all our mechanisms meant for maximizing growth in our platforms will automatically also work to increase the OAK price.



5.0

## Revenue Generation Mechanisms

Making crowdfunding free means we need alternative methods to generate revenue and make us profitable.

There are plenty of opportunities to monetize aspects of the platform in a way that gives customers real choice – as in the Acorn Support Services and Featured Projects – or creates new opportunities - as in the Operations Fund and Platform Data.

Our range of revenue mechanisms allow significant opportunities to keep the platform sustainable, while remaining free, open access and expansive.

### 5.1 Featured Projects

Our mission is to create an open and fair platform, but this does not preclude enhanced visibility for projects that want to reach backers outside of their own backer community. Where there are highly commercial projects we will make enhanced visibility packages available for a fee. This will be done by creating specific areas on the Acorn Hub to find larger opportunities, without cutting across smaller projects. This is in line with our core values of openness and fairness as it allows projects that have a greater earning capacity to pay for more exposure, but not at the expense of smaller projects. Essentially, where there are large, more investable opportunities we will present them in an appropriate way and at a price that represents real value to founders.



We would also generate revenue through inclusion in mailing lists and social marketing to backers who want the latest updates on innovative products.

## 5.2 Acorn Support - Campaign and Business Services

Where other platforms have given rise to a thriving but largely unvalidated secondary support market, we intend to provide genuine support and value through our range of Acorn Support products.

Crowdfunding requires a robust marketing plan and the ability to execute it. Founders may need to produce pitch decks, landing pages, financial modelling and technical roadmaps. Particularly because the Acorn platform is open access, plenty of great campaigns will still need expert support.



By introducing first-rate services at the right price, and with payment plans that are accessible, we can ensure that founders are protected by a quality service while giving them all the tools they need to be great platform advocates.

“Price is what you pay, value is what you get” - Warren Buffett

There is clearly a self-serving element here – founders that buy support services not only have better campaigns but generate an extremely good return for the platform.

Our aim is not to exploit, but to create a product range that is genuinely high value, orientated specifically to our platform and stacked with real experts.

While we fully expect this to generate a great deal of profit for the platform and enhance the token marketplace, we would maintain our duty to founders: To increase the value of their business and ensure campaign success.

### 5.2.1 Services Offered

We will provide projects with assistance in the form of value-added services. In return for a fee or in select cases, equity, we will provide support in some of the following fields:

- » Legal assistance
- » Marketing
- » Sourcing and manufacturing
- » Technical help, such as web, mobile or blockchain application development
- » Accounting & Taxes
- » Translations
- » Others

Services will be provided by a team of experts that will form a partnership with project founders for specific campaigns. We say partnership because we strive to keep our



interests aligned by only getting paid if a project is successful. This could be in terms of a percentage of the final funds raised or even a profit-sharing agreement once the company is a commercial success.

In the rare cases that we choose to take equity in a crowdfunded company, we may only receive our payment after a liquidity event, such as a buyout or IPO.

### 5.3 Operations Fund

As part of offering our platform for free and therefore making it more attractive to end-users, a portion of the ICO proceeds will be allocated purely to revenue generation through an Operations Fund.



We expect this to contribute towards covering expenses from the medium term onwards.

Our aim is to get a sustainable minimum of 5-10% of returns annually. Every USD 1M invested will, therefore, generate a return of USD 50-100+K per year.

The planned allocation will include traditional equities via a value investing approach, real estate and fixed-income securities, as well as a smaller allocation of more aggressive investments such as venture capital, ICOs and digital currencies.

This revenue will be entirely for covering internal costs and token holders will not have any right to these profits.

### 5.4 Platform Data

Crowdfunding platforms create a huge amount of valuable data, which we can monetize. We need to do this within the spirit of respecting privacy and anonymity, so within a rigorous framework of data protection and consumer preference, we will create purchasing and behaviour data products across the Acorn Hub, Acorn Marketplace and Acorn Local platforms.



We intend to collect anonymized usage and transaction data only, with full compliance to privacy and data security best practices and legislation, such as the EU's General Data Protection Regulation. Data is a large and growing market, so we expect this mechanism to make a significant contribution to platform revenue in time.

# THE ACORN REVENUE MECHANISMS



## INITIAL ICO ALLOCATION

### Short Term Onwards

Percentage allocation of ICO proceeds to cover initial operating costs.



## FEATURED PROJECTS

### Medium Term Onwards

Leveraging our backer network by offering inclusions in mailing lists and social marketing. This will not come at the expense of smaller projects by reducing their visibility on the platform itself.

## OPERATIONS FUND

### Medium Term Onwards

Revenue generation via investment in equities, real estate, fixed income securities and via digital currencies, venture capital & ICOs.



## PLATFORM DATA

### Long Term Onwards

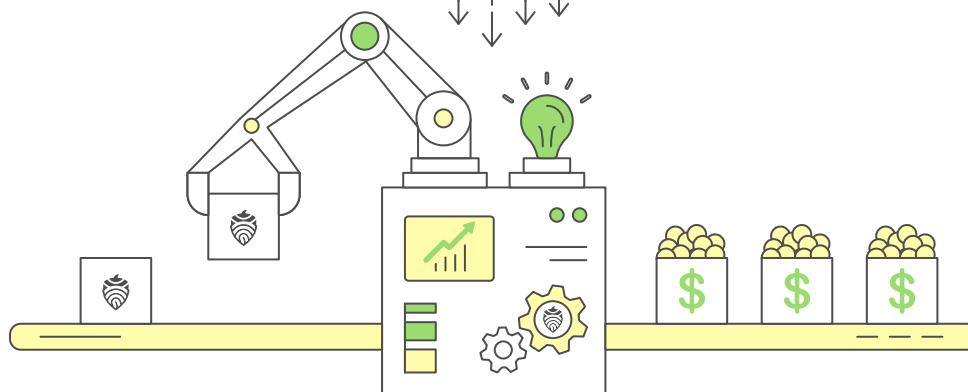
Create anonymized purchasing and behavior data products across the platform within a rigorous framework of data protection and consumer preference.



## ACORN SUPPORT

### Long Term Onwards

A range of business services will give every campaign the best possible chance of success, while generating revenue to maintain the platform and enriching the token marketplace.





# Platform Security & Development



The security setup of our platform is an important focus for us. Cybersecurity threats are ever-present, especially within the realm of digital currencies.

It is our goal to build this platform from secure, robust and scalable software of the highest quality, as we recognize the critical importance of this, both to the user base and to the ongoing success of the Acorn Collective.

We intend to adopt the Scrum Framework with a DevSecOps approach and utilize Behavior Driven Development practices for our development process.

It is our intention to build using the .Net Core framework, leveraging Web API for secure, RESTful microservices. The presentation layer will likely follow an MVC or SPA design pattern. We'll use Active Directory (AD) to authenticate business users, which means all business toolkits will only be accessible within the AD domain. Beyond this, we are purposefully avoiding commitment to implementation specifics, which will become concrete during the early phases of planning and development of each component.

We will be working with our cybersecurity partner, drie, to build an enterprise infrastructure on AWS, adhering to security best practice. drie will be providing us with a DevOps service, which means we'll be planning and creating our cloud infrastructure together, as we build our platform.

## 6.1 Post-ICO Financial Security

We will keep a substantial amount of funds in fiat currency with several banks, including the working capital needed for regular operations. The majority of our other fiat reserves will be kept in cash and cash equivalents.

The bulk of our digital currency reserves will be kept in cold storage (air-gapped clean computer), with the remainder in multi-signature and hardware wallets, kept in a bank's safe deposit box.



# Team & Advisors

## 7.1 Team



Dr. Moritz Kurtz  
Co-Founder, CEO



Digital currency investor, entrepreneur, doctor and dog lover. Moritz has coupled his 4 years in anaesthesia, intensive care and emergency medicine with a passion for entrepreneurship and a belief that creating successful companies should be available to anyone with the passion to create them.

Having launched web businesses and run successful digital marketing campaigns for a decade, Moritz believes technology brings business within reach of everyone, everywhere. He believes that crowdfunding and blockchain can be harnessed as the key tools to help that vision succeed, fostering the next chapter for humans in the information age.



Peter-Andreas Kurtz  
Co-Founder, CFO



Peter-Andreas Kurtz is a corporate finance specialist with over 40 years working for top European banks in Frankfurt, New York, London and Hong Kong. His expertise in MA with some of the world's best-known brands has given him a deep understanding of financial risk management and analysis.

Peter now brings his unique insights to SMEs. With a passion for small businesses and start-ups, Peter believes every enterprise should have access to the expertise and funding it needs to thrive.



Ed Earle  
CTO



Ed is a software engineer and architect with over ten years experience in delivering small scale and ERP systems. A professional Scrum Master, Ed's fascinated by InfoSec and DevSecOps protocols, and is also currently working on a new Agile process framework that focusses on assuring quality for agency-style multi-client software development lifecycles.

In odd moments of free time, Ed's part of a group that contributes to and promotes QA web standards as well as renovating a Victorian house. The web standards are much more straightforward.



Edward Lobbett  
COO



Ed's the co-founder and CEO of Hopp, a big data platform that provides the link between digital marketing and offline retail transactions.

Ex-South West Chairman of the Institute of Consulting in the UK, Ed has created, owned and consulted for start-ups and traditional businesses for over a decade.



Helene Boscardin  
Social Initiatives Director



Following her studies in languages, business and international relations in France, China & Singapore respectively, Hélène moved to Indonesia to do field work for the humanitarian project of both international and local NGOs for several years. Since 2016, she is back home in France, where she is working as Global Health Partnerships Manager at an international NGO for access to medicines in middle-income countries. She believes community based organizations are the best vessel of change and that local initiatives need more support. She enjoys travelling, learning languages, scuba-diving, cinema and reading.



Simon Minton  
Cybersecurity & Startup Specialist



Simon is an EMEA go to market specialist in the cyber security industry as well as an experienced start-up advisor with a London accelerator.

Specialising in advising companies leveraging emerging technologies to build novel platforms, Simon is a former investing Non-Executive Director in the UK who now helps fast-growing tech start-ups to make their ideas a reality.



Alex Wu  
Blockchain Developer



Co-founder of Bitcoin.hk and a full stack blockchain developer. He has worked on different projects from cryptocurrency fundraising to universal blockchain explorer. He is also an active investor in cryptocurrencies and blockchain industry.



Edward Dench  
Head of Marketing



Serial entrepreneur always working in new technologies. Co-founder of one of the first social Wi-Fi platforms. Co-founder of Hopp App, disrupting all discounting and marketing channels for the hospitality industry.

Ed's also currently working on a programme to create an incubator providing growth and development opportunities for young entrepreneurs and startups.



Ben Webb  
Head of Community & Partnerships



With a degree in Marketing, lengthy experience of business development and a passion for exciting ideas, Ben's skills have seen him work across a variety of industries on a wide scope of projects.

From starting his own business to engaging with the C-Suite from the world's biggest brands, his focus has always been on the people behind the ideas. A cheerleader for making the world a more accessible place for all and the democratising power of technology to achieve this.



Toby Tucker  
Marketing & Community



A recent business graduate from the University of the West of England, Toby's a keen entrepreneur in his own right, running a successful events company followed by KanyeFest, a national touring club night featured on Radio 1 and national press in the UK.

Like the rest of the team, Toby has been connected with small startups and entrepreneurship on a personal level, and shares Acorn's vision of making enterprise more available to communities worldwide through better funding.

With great insights into social media mechanics and community-building, Toby's focus is to help spread the word about Acorn through social and forum channels and help manage our ad campaigns.



Jan Monks  
Customer Relations Manager



Jan is Acorn's self-proclaimed 'King of Spreadsheets'. As the gatekeeper to the CRM his task is to maintain and develop our customer base, whilst making sure our company administration and systems are watertight.

After a year of studying philosophy, politics and ethics at university, Jan decided he would learn more from full time employment. Since then he has worked in variety of industries including managing administration at a laser measurement company.

Jan is enjoying the challenge and excitement of working at a rapidly growing company, and being an integral part of a game changing idea.



Rory Stanway  
Digital Marketing



Rory is responsible for analysing and developing Acorn's digital marketing strategy – from tweets, to Telegram, Facebook and website analytics.

As a marketing graduate from the University of South Australia he is passionate about using his skills for good, and has a particular interest in sustainability and politics. With a background in pro-social start-ups, he is well placed at Acorn Collective. A previous role saw him working for a niche sustainable food start-up, providing employment opportunities for disadvantaged Aboriginal people in Australia.

He is enjoying being a part of an incredible team dynamic and working hard everyday to make the start-up vision real.



Tayana Simons  
Copywriter



A professional writer with a background in journalism and content creation, Tayana writes Acorn's online copy, articles, and company communications.

With a first class journalism degree, she has worked for national TV and online platforms. Working as a copywriter in recent years she has written about a wide range of subjects from stem cells, to nutrition, travel, and now crowdfunding. Tayana strongly believes in the power of crowdfunding to give access to funding to the developing world.



Jamie Conoley  
Videographer/Creative



Jamie is Acorn's in-house cameraman and graphic design extraordinaire – he is responsible for much of the company's visuals, videos and graphic design.

His career so far has seen him work as a camera operator in Vienna, as well as working for Jamie Oliver's video production unit creating social content and graphics.

Jamie enjoys the excitement of working in a start-up with the potential to help people around the world crowdfund their ideas and businesses.

## 7.2 Advisors



David Ives  
Crowdfunding & Technical Advisor



David has well over a decade of experience working in technology, with a wealth of knowledge ranging from delivering highly complex ecommerce applications to architecting enterprise grade regulated software platforms. While serving as Chief Technology Officer at the World's leading equity crowdfunding platform, Crowdcube, David built the team and architecture that allowed the company to rise to its dominant position enabling the platform to raise over £350 million for its clients.



Ian Scarffe  
Blockchain Advisor



Ian's a serial entrepreneur, investor and consultant with business experience from around the world. He's the founder of Binkplus, a startup incubator in Europe, and his overall mission is to foster a society of economically independent individuals who are engaged citizens, contributing to the improvement of their communities.

With Ian's experience in blockchain along with his passion for incubators and startups he's a great person to work with as we try and change the way ventures get funded. Changing crowdfunding for good is a goal that needs great advocates and experienced advisors. We're delighted to have Ian working with us.



Theodosios Mourouzis  
Blockchain Advisor



Theodosios Mourouzis is an information security (with specialization in cryptography) and data analytics expert. He has a BSc and MSc in Mathematics from University of Cambridge and a MRes and PhD in Cryptography from University College London.

He has experience applying analytics in several domain applications such as fraud detection purposes and device fingerprinting. He has been a consultant for various startups and organizations such as Lloyds Banking Group. He has worked in research projects funded by UK Technology Strategy Board (TSB) and UK CDE (Centre of Defense Enterprise).



Kyriacos Pavlou  
Blockchain Advisor



Kyriacos holds a BA/MA(Hons) in Genetics from the University of Cambridge, a double BSc in Computer Science/Mathematics and an MSc and PhD in Computer Science from the University of Arizona.

He has been working on achieving information accountability in relational databases and has been developing information accountability enterprise architectures along with forensic tools and algorithms for analyzing database tampering. His expertise includes database design and security, information accountability, and cloud databases.



Anuj Khanna  
ICO, Business Development  
Advisor



For the past two decades, Anuj Khanna has been helping financial technology, mobile applications and telecom businesses around the world. He has helped over 50 companies and their executive teams in achieving exponential growth and reaching their peak state.

Passionate about democratizing funding and business access, Anuj advises on ICO and business development along with good governance.

Anuj speaks five languages and has business relationships with thousands of telecommunications, IT, advertising, media and financial industry executives.



Desmond Marshall  
ICO & Investment Advisor



Desmond Marshall is the founder and MD of Rouge Ventures, an investment and strategic consulting firm in Asia. He is one of the very first individuals in Asia to be a member of the global Enterprise Ethereum Alliance, joining fellow ranks like Accenture, BP British Petroleum, Credit Suisse, JP Morgan, Microsoft, UBS, and many other Fortune 500 companies, in defining new development roadmaps to blockchain technology and its application in the real world.

Mr Marshall has numerous experiences in reviewing and vetting blockchain related investment projects since 2012, long before it became popular, and has an in-depth understanding of how investors and companies should operate within such a new trend.



Jeremy Suarez  
Cybersecurity Advisor



Jeremy has over 19 years of experience delivering valuable products to large enterprises like BT, Nokia, Bloomberg, Guggenheim, HMRC and GDS. He has worked in leadership roles across all disciplines of the development cycle from business analyst to quality assurance to development in both the United States and Europe.

Jeremy has also co-founded cloud infrastructure security startup drie which helps enterprises develop and deploy software securely on AWS. drie has secured two rounds of funding in its inaugural year and has recently been through CyLon's cyber security accelerator.



Becky Tsang  
Creative Advisor



Becky is a creative professional and graduate of the Parsons School of Design. Working with renowned international designer houses in New York and London, she loves art that works for people, and has been Art Director at a design boutique hotel in Hong Kong, which brings art and design to a functional context.

A genuine desire to see art pervade commercial spaces makes Becky a perfect champion for arts in the Acorn Crowdfunding platform; helping curate the relationships and commercial opportunities that make it a true home for artistic projects.



Jon Somerscales  
UX Advisor



Jon has designed strategic digital experiences for house-hold name companies and innovative startups alike. He has helped raise seed investment for a startup through a successful crowd-funding campaign. He has experience across a very wide range of sectors and across multiple-disciplines - making him a good communicator with engineering and design teams. He is passionate about using design as a tool to help improve quality of life and solve wickedly complex problems in the world.



Viola Wang  
Business Development Advisor



Viola is a proven communicator with a background in MNC commercial/marketing procurement and regional stakeholder relationship management. Her passion for communication has led to roles as CMX Hong Kong community curator, member of Mexican Chamber of Commerce and as a Mandarin teacher in Confucius Institute.

Fluent in five languages, Viola believes technology should empower people, with every single individual around the world benefiting from the decentralization of information and tools.



Daniel Schewior  
Music Industry Advisor



Brought up in the UK and Hong Kong, Daniel started his first band at 16 and started a band management agency in Germany in his 20s. Now managing 5 bands, he's at the heart of the industry.

An ambassador for crowdfunding in the arts, Daniel's part of a movement to give more control to artists and their audience by creating better ways to connect from the start. Using technology, he sees a future where audiences and artists both have a stake in the business and creative aspects his industry.



## Regulation, Compliance & Jurisdiction

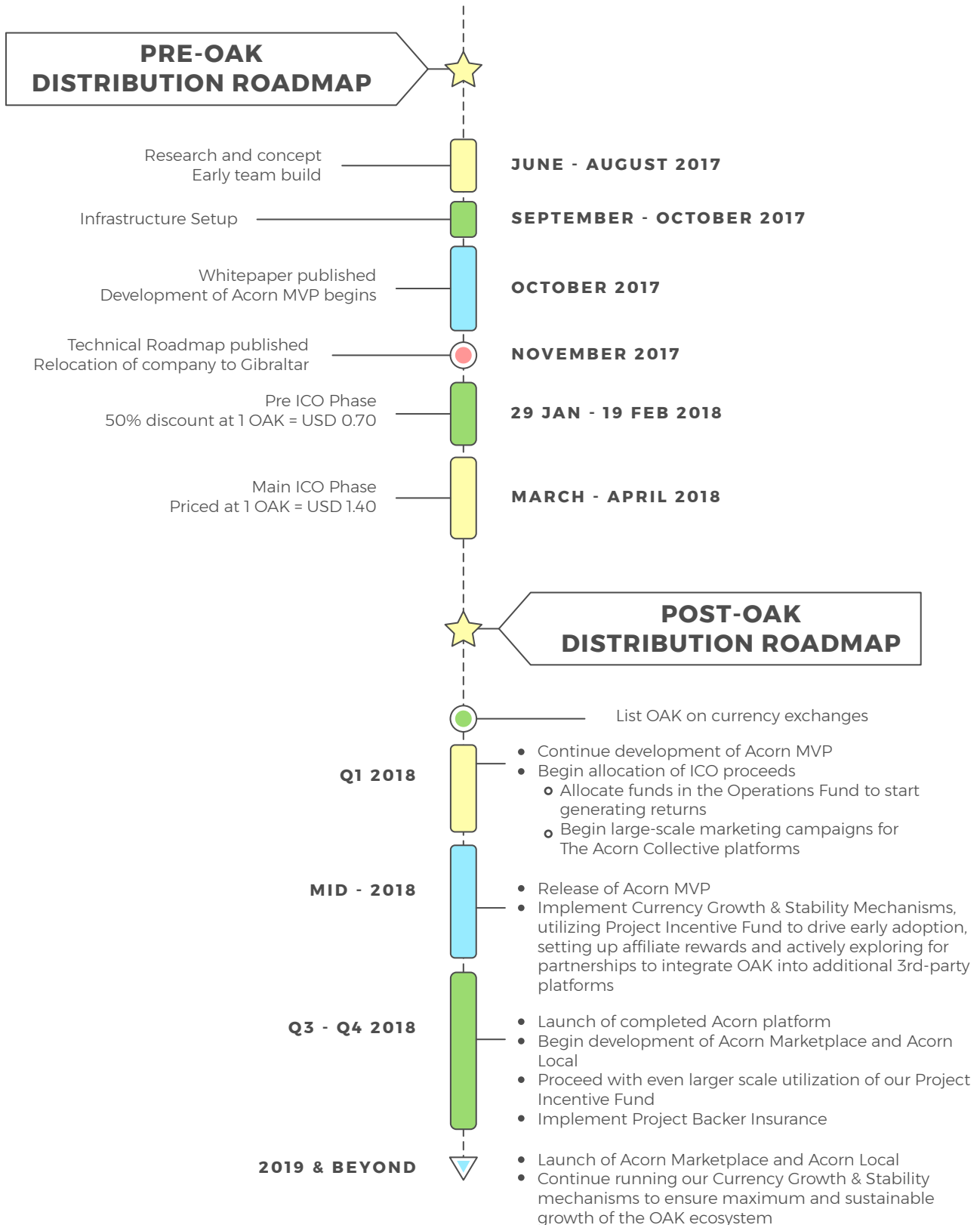
Acorn Collective Limited is a private company limited by shares established in Gibraltar.

With uncertainty surrounding many ICOs, we have chosen to operate from Gibraltar, where regulatory clarity has been much easier to obtain. We are currently working with our legal partner, and in turn, the regulator, to gain final confirmation that the OAK token is not a security.



We firmly believe that better governance will help token sales to continue to gain traction as an important funding model, and are pleased to be one of the first token sales to be working closely with a legal team, regulators and the bank.







### 10.1 Legal & Regulatory

#### 10.1.1 Regulatory

Please see section on [Regulation, Compliance & Jurisdiction](#).

#### 10.1.2 Legal risk from projects on our platform

- » Authorities may deem a project on our platform illegal and hold us responsible.
- » If a project on our platform seems legally questionable, we will seek legal counsel before approving a project. Initially, until we grow an expert community panel, each project will be monitored.

#### 10.1.3 Unanticipated legal risks related to our platform or arising from our daily operations, including possible intellectual property challenges

- » Crowdfunding as a financing option is still relatively new and there may be regulatory difficulties associated with operating in multiple jurisdictions
- » Licensing regimes may come into force in the future
- » These could relate to our platform or arise from our daily operations, including possible intellectual property challenges and legal risk in drafting contracts and obligations.
- » Relevant laws or regulations may change over the life of the OAK token and no assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect the OAK and/ the Acorn Collective.

### 10.2 Technical & Internet Security

#### 10.2.1 Cybersecurity

- » Cybersecurity threats are ever-present, especially within the realm of digital currencies. There is a risk of loss of funds or even wipe-out should an unauthorized intrusion and theft of funds occur.
- » We have taken the decision throughout to use highly-qualified security partners rather than self-build.

- » Our cybersecurity partners have been involved with developing large- and governmental scale cloud platforms and have been consulted from inception on platform security to ensure the build is compliant.
- » However, risks related to software weakness, human error, external attacks or other risks related to defects and systems being compromised remain, which may conceivably cause a large and adverse impact on our business operations and the OAK token value.
- » See section on [security](#) for more details.

## **10.2.2 Technical difficulties in developing our platforms and applications**

## **10.2.3 Failure or problems with the Ethereum network**

Our OAK token is a part of the Ethereum network. If problems related to the Ethereum network's normal functionality arise, this may affect our OAK functionality and adversely affect our business operations and OAK token value.

# **10.3 Company, Business, Financial & Liquidity**

## **10.3.1 Tax implications for the company and staff**

## **10.3.2 Use of our platform for financing illegal or ethically questionable activities, such as gambling or terrorist activities**

## **10.3.3 Sudden crash in token, bitcoin or ethereum prices while we hold a large stake in our liquidity reserve**

## **10.3.4 We get a project that suddenly raises a LOT of money and opts for a payout in fiat or BTC/ETH**

- » We will have difficulty paying them fully in fiat or BTC/ETH out of our Liquidity Reserve and may have to pay them partially in OAK tokens.
- » We may have to institute mixed payments in BTC/ETH + fiat + OAK or pay in increments to allow time for us to rebuild our liquidity reserve in between.
- » The size of our liquidity reserve will depend on the size of our fundraiser. The above scenario is only likely if we raise a low amount of funds, close to the minimum threshold. Please see our chapter on [funds allocation](#).

### **10.3.5 The OAK token may not be easily convertible in the event no exchanges choose to list our token**

We regard this risk as very unlikely, as OAK is compliant with the ERC-20 token standard and is therefore technically very easy to list on existing exchanges. In addition, we have partnered with Bancor, a token liquidity application, that should, if it works as intended, should ensure adequate liquidity after the ICO for token holders to transact their tokens. There is however a risk that Bancor's functionality changes or fails, causing the token to be illiquid, in the event no exchanges choose to list our token.

### **10.3.6 OAK token volatility**

- » Digital currencies have been incredibly volatile in recent years.
- » Contributors must assess whether this risk is manageable.
- » We regard this risk as likely.

### **10.3.7 Risk of insolvency**

Risk of insolvency should we fail to meet one of our financial obligations.

### **10.3.8 The OAK token may lose its value completely, due to reasons not explained here**

## **10.4 Business Risks**

### **10.4.1 Our fundraiser fails and we do not meet our funding targets. See section on [OAK distribution](#).**

Overall, we feel that if our Pre-Sale is at least partially successful, we will have the funds to grow enough awareness and demand to successfully fund our main OAK distribution.

### **10.4.2 Appearance of a stronger competitor**

Our platform design, pricing model, go-to-market strategy and Project Incentive Fund all point toward rapid acceleration. There is always a risk of competition but so much of our platform is built around expansion we feel we have mitigated it as well as any platform can.

### **10.4.3 Unexpectedly high operating costs**

We are starting from a very low-cost base and we will control costs carefully. This risk

is mitigated through aligning our expansion plans with our cost base, and through validating assumptions on the actual returns from the revenue generating mechanisms. Essentially, the cost base is low enough to allow for validation and action rather than being forced to accept too much risk with each growth phase.

#### **10.4.4 If we do not get enough projects listed on our platform, it will be deemed a failure**

Our [Project Incentive Fund](#) is designed to overcome this risk, along with an aggressive and efficient go-to-market strategy.

#### **10.4.5 High failure rate of projects**

This is a significant risk, especially due to the open nature of the platform, but we do have support services and the Project Incentive Fund to mitigate it, particularly in the early stages.

#### **10.4.6 Limited operating history**

The Company has a limited history against which prospective purchasers may consider the appropriateness of acquiring an OAK token.

#### **10.4.7 Counterparty risks**

There is always the possibility that the institutions and service providers that the Acorn Collective does business with may encounter financial difficulties that may impair their operational capabilities or result in disruption and/or losses to OAK and the Acorn Collective.

#### **10.4.8 Key man / Counterparty loss**

If any of the directors or officers cease to participate in the operation of the Acorn Collective, the operations, objectives and activities of the Acorn Collective and the OAK tokens may be adversely affected.

#### **10.4.9 We fail to fulfill our objectives despite meeting our funding targets**

#### **10.4.10 Our bank may choose to close the Company's bank account, severely impacting or even forcing us to suspend all our business operations**



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