

Fundamental

Prime Rating Report

Protocol: Zerion

Version: V1

Previous Report: None

Date: 12 February 2021

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Please fill in all questions with a written explainer, any relevant links and score per variable based on the [Fundamental Review Process V 1.0](#). Insert the scores per variable in the scorecard at the end of the report. Please follow the [Rating Process](#) when creating and submitting a report.

Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? In general, forks without any newly added functions are considered subordinate to the protocol they forked.

Answer: Zerion, an all-in-one DeFi interface that lets you actively track and manage your DeFi portfolio. With Zerion, users can invest, lend, borrow, swap, and do just about everything DeFi-related while retaining full custody of their funds.

Score: 12

Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market. To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer: decentralized finance will coexist with traditional finance for quite some time, but DeFi is going to grow extremely fast. Globally falling interest rates will fuel the growth in these crypto networks and protocols, which will cause an inflow of capital. Abundance of liquidity in DeFi should increase overall adoption of the ecosystem zerion.

Score: 13

Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

Answer: Zerion provides people with the instruments to navigate DeFi. Our target users are a niche yet rapidly growing group of people who want to manage money radically differently. Zerion users recognize the potential for decentralized solutions in a very broken, centralized financial system. They're looking for an easy way to use sophisticated tools without giving up control over their funds or data.

Score: 8

Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). The relative comparison can become rather subjective, to solve this the score standardizes the results in fixed categories.

Answer: From Zerion's inception through the end of 2019, the platform processed \$16M in Compound deposits, originated \$19M in transactions, supplied \$2M in liquidity to Uniswap in less than a month, won an award for the best UX in the Ethereum ecosystem at Devcon 5, and won first place at a Y Combinator hackathon with the 'Defy' app. Zerion's protocol aggregation and impressive UI/UX is facilitating the sustained growth of their interface.

Score: 9

Tokenomics

The Tokenomics section of the review assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behavior in the protocol, and the ability of the token to capture a portion of the value created.

Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

Answer: No tokenomic

Score:

What is the extent of the token's capabilities? (10 points)

What are the different merits of the token? Is the token useful in the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way?

Answer: No tokenomic

Score:

Is the issuance model able to improve the coordination of the protocol? (10 points)

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behavior? Are all relevant stakeholders benefiting from the issuance model?

Answer: No tokenomic

Score:

Is the value capture model able to accrue and distribute value? (10 points)

A value accrual and distribution mechanism can help improve the merit of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

Answer: No tokenomic

Score:

Is the token sufficiently liquid to enable active use and trade? (5 points)

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

Answer: No tokenomic

Score:

Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

Answer: yes the team is public and anon team member [source](#)

Score: 14

Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

Answer: ceo zerion had many skills before joining zerion, he even joined engineering software on google. [source](#)

Score: 10

Does the team participate and help shape the public debate? (10 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

Answer: yes the CEO been a speaker on hacketon recap in 2019 ,also a frequent speaker at the AMA about zerion [source](#)

Score: 8

Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed? How well are resources managed and used?

Answer: In December 2019 Zerion announced a \$2 Million seed funding round led by Placeholder, with participation from Blockchain Ventures and Gnosis. The Zerion team stated that the funding would be used to accelerate development and add support for more DeFi services. Zerion acquired MyDeFi in March 2020. The team plans to add improvements and integrate new protocols like Aave, Curve, and iEarn to MyDeFi while keeping it active on all platforms and maintaining separation of the brands.

Score: 9

Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

Answer: so far as now zerion not have admin keys or not add permission for upgradable.

Score: 2

Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

Answer: No tokenomic

Score:

Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

Answer: No tokenomic

Score:

Robustness of Governance process (10 points)

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

Answer: No tokenomic

Score:

Governance infrastructure (10 points)

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

Answer: No tokenomic

Score:

Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: zerion has legal name zerion.inc Headquarters in Regions San Francisco Bay Area, West Coast, Western US Founded Date May 16, 2016

Score: 14

What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

Answer: Relevant jurisdiction with applicable laws in california US

Score: 5

Is the protocol (able to become) legally compliant? (5 points)

Is the protocol able to acquire the necessary licenses and supervision to be able to operate in the traditional regulatory environment? Has the protocol already acquired such licenses?

Answer: As far as I can tell (based on web searching), zerion hasn't acquired any licenses that allow them to bridge their services to the traditional financial industry.

Score: 3

Scorecard

<u>Value Proposition</u>	Points
1. Novelty of the solution	X / 15
2. Market fit/demand	X / 15
3. Competitiveness within market sector(s)	X / 10
4. Novelty of the solution	X / 10
<u>Tokenomics</u>	Points
1. Is the token sufficiently distributed?	X / 15
2. What is the extent of the token's capabilities?	X / 10
3. Is the issuance model able to improve the coordination of the protocol?	X / 10
4. Is the value capture model able to accrue and distribute value?	X / 10
5. Is the token sufficiently liquid to enable active use and trade?	X / 5
<u>Team</u>	Points
1. Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	X / 15
2. Does the team have relevant experience?	X / 10
3. Does the team participate and help shape the public debate?	X / 10
4. Is the team able to effectively attract and coordinate resources?	X / 10
<u>Governance</u>	Points
1. Admin Keys (Yes, Multisig, Multi-sig and Timelock, None)	X / 20
2. Extent of Governance capabilities	X / 15
3. Active Governance contributors	X / 5
4. Robustness of Governance process	X / 10
5. Governance infrastructure (rituals, docs, UI)	X / 10
<u>Regulatory</u>	Points
1. Does the protocol have any legal accountability?	X / 15
2. What is the quality of the legal jurisdiction?	X / 10
3. Is the protocol (able to become) legally compliant?	X / 5
Total	x

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