Launch Steps

The Focus platform will launch in two phases:

- **Phase 1: Reservations Open:** On Jan 11th, users can reserve tokens in a fashion similar to staking, but with their choice of any supported currency: BTC, ETH, SOL, USDC, DESO, and more. More details on this stage are in the Reservation Tokens section.

  Reservation is now live at https://focus.xyz

- **Phase 2: App Launch (date is TBD, near the end of Q1):** After the reservation period, the Focus app will launch, the $FOCUS bonding curve will officially open on the DeSo DEX via Openfund, and all reservation-holders will receive liquid tokens, which they can trade against the bonding curve. Note that a bonding curve is just a way to buy and sell tokens algorithmically so that there is always liquidity in either direction, and we refer to it interchangeably as the Automated Market-Maker, or AMM for short. Launching the bonding curve will give $FOCUS a liquid market price based on the bonding curve's last trade. At the same time, the Focus app will launch, and incentives will start being distributed.

In this doc, we walk through the motivation behind this launch plan and the specifics of each step. We also discuss the $FOCUS tokenomics in detail.

We recommend referencing our [tokenomics spreadsheet](#) as you read. If you have questions after reading this doc, you can query our [Focus GPT model](#) for clarification. The dev team also regularly checks [this DeSo thread](#) and [the Focus Alpha Telegram channel](#), and you can ask questions there.
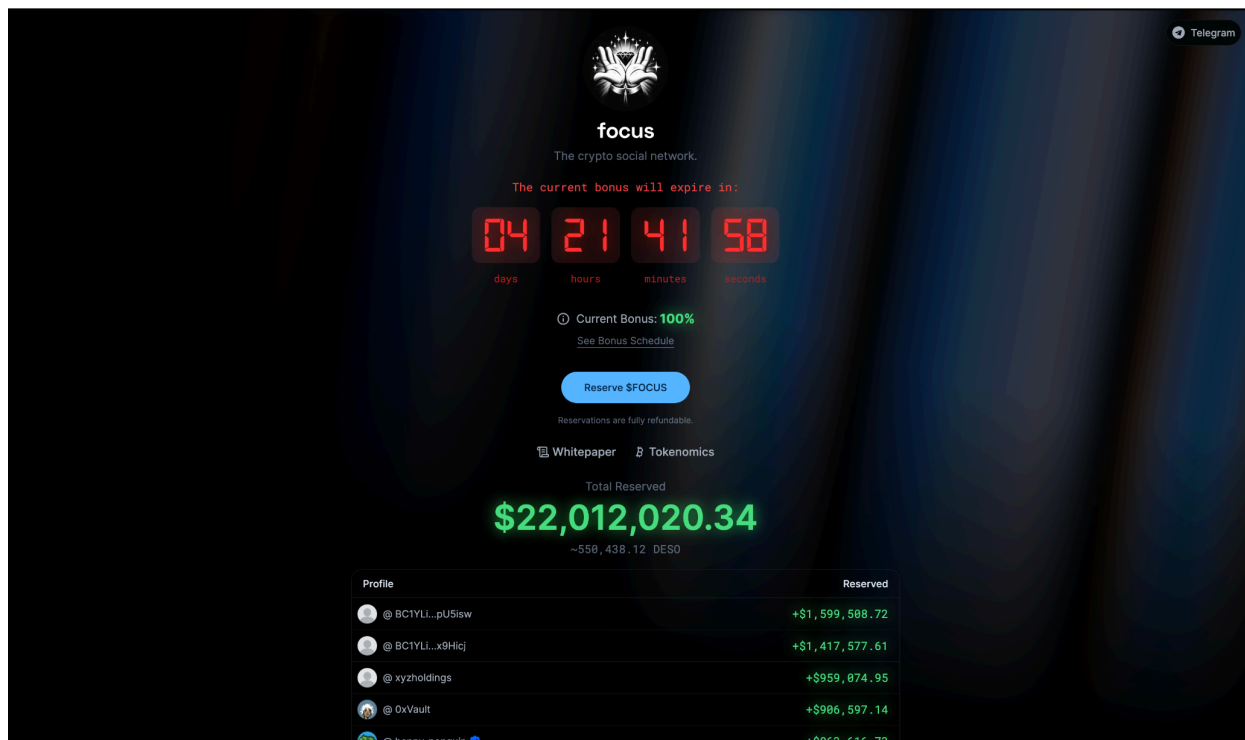
Focus reservations are now live at https://focus.xyz

Motivation (Optional)

This section is a primer on prior airdrop schemes and provides context behind significant design decisions. **That said, it is skippable.**

Learning from "Points"-Based Airdrops

In crypto, it has become common to give users value-less "points" to join a platform, with the implicit promise that those points will eventually become liquid tokens in a future "airdrop" (you can get a primer on airdrops and points systems [here](#)). The problem with points-based airdrops is that the ambiguity around how much the points will be worth in the future prevents mainstream users from taking these platforms seriously. Moreover, even if tokens are eventually distributed to users, most immediately dump them for cash, never to be seen again.

Focus improves on prior airdrop schemes in the following specific ways, which we will discuss concretely when we walk through the Focus Tokenomics:

- **$FOCUS tokens have fundamental value driven by platform fee revenue.** 100% of the fees generated by the Focus platform are used to buy & burn $FOCUS tokens. The exact sources of all the fees are explained in [the white paper here](#), but they include fees

on paid content, paid messages, paid reposts, Creator Coin trading, and more. This gives users who hold or receive tokens a reason to be excited about the platform's growth: The more creators monetize with Focus, the more valuable $FOCUS as a whole should become.

- **We establish a liquid USD value for $FOCUS tokens prior to launching the platform.** Having tokens trading on a liquid market makes it so that every time a token is given to a user, a USD value can be quoted. Giving a user "$100 USD, in tokens" is much more powerful than giving them "50 tokens," whose value is unknown, which is more powerful still than giving users "50 points," whose conversion rate into tokens isn't even known.

    - When we launched BitClout years ago, the fact that a USD value was associated with every token transaction, we believe, materially helped the app to go as mainstream as it did, attracting major music artists, professional athletes, actors/actresses, etc... all organically. Specifically, we believe that virtually none of these high-value users ever would have joined if everything was running off of implicit points or opaquely-valued tokens.

- **Locking and vesting of zero-cost-basis tokens.** The Focus platform maintains the invariant that the only liquid tokens that anyone can get in the first year are those that are directly purchased. Anyone who receives tokens with a zero cost-basis, e.g. via the social airdrop or Post to Earn, will have a 1 year lockup that starts from when they receive their tokens, with a subsequent linear 4-year vest (5 years total). This ensures that users who get free tokens are aligned with the long-term growth of the platform. It also ensures that the Focus platform will have no less than one full year of runway to grow unimpeded.

- **Dev team alignment.** The [dev team](#) receives tokens that are locked for longer than anybody else, and these tokens are the *only* way the dev team makes money, barring externalities like $DESO holdings. This ensures that the dev team is aligned with all holders of $FOCUS tokens, especially when it comes to deciding how many tokens to allocate to incentive programs, as we will discuss.

Learning from the Launch of BitClout

BitClout launched with a bonding curve that anyone could use to buy $CLOUT with Bitcoin. It had a simple algorithm, which was that the price would double for every million $CLOUT sold. This process managed to bootstrap a "last purchase price" for $CLOUT, which was valuable, but there were a few key things that were highly-suboptimal about this launch:

- **The bonding curve was up-only.** You could buy tokens from the bonding curve but you couldn't sell against the bonding curve. Not only did this make people feel like the price wasn't legitimate, but it also caused a large price decline on first listing because the only way to go was down.

- **You couldn't cash out.** After you bought $CLOUT, there was no easy way to convert it back into USD until the first listing of the token many months after launch. This caused many creators, especially larger creators, to feel like their earnings on the app weren't real.

- **You could only buy with Bitcoin.** We believe this lost the attention of a lot of key people in the Ethereum and Solana communities for no reason, who as a result shunned the project instead of participating in it. If we had an easy on-ramp from Ethereum or Solana to $CLOUT, it's possible many would have actually given the product a chance.

- **Arguably not a fair launch.** Although BitClout was open to the public before any tokens were sold, some argue that people who became aware of the platform early had too much of an advantage over late adopters because of the "steepness" of the bonding curve. For example, one could argue that it maybe would have been better to have an initial period where everyone got the same price, or nearly the same price, before starting the bonding curve.

- **Reserved profiles that came with a coin.** Although not related to the token itself, BitClout pre-loaded creators' profiles onto the app without their permission, and allowed trading on those profiles. This upset some creators, especially ones that were more "crypto-native" because it made them feel like someone else was profiting off of them without their permission. It also made having a coin feel compulsory on day one, which turned off many larger creators.

In spite of its issues, the bonding curve distribution mechanism still managed to garner a lot of interest in the project, raise over 4,000 Bitcoin, and, most importantly, it gave the $CLOUT token a market price that could be shown in the apps that helped people ascribe a dollar value to the token.

If we could fix all of these issues, it would stand to reason that things should go significantly better this time. That's the idea behind the launch of $FOCUS.

- **Fair launch via reservation period.** Focus will start with a reservation period, during which anyone can purchase tokens on a completely level playing field, and refund their tokens if they change their mind at any point. Nobody, not VCs, not "well-connected" angels, *not anyone*, will be able to purchase tokens before this time. Participants will still get a bonus for reserving their tokens early, but this benefit will be time-based and easy for anyone who's excited about the project to maximize, rather than a "click-race," like it was with BitClout.

- **Two-way bonding curve from day one.** After the reservation period, $FOCUS will be sold on a two-way bonding curve so that people can buy and sell $FOCUS tokens with an automated market-maker on day one, powered by the DeSo DEX. All the tech for this was already there thanks to our investments into Openfund, and the AMM work is the same work that will power Creator Coins V2, which operate via the same order-book DEX AMM.
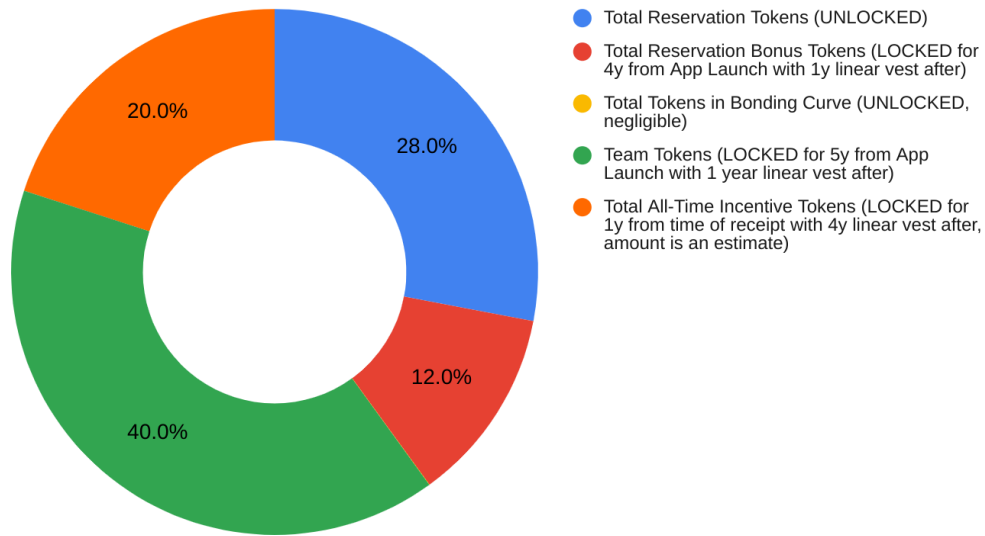
- ○ **The two-way nature of the bonding curve is important because it means that the funds raised absorb future sell pressure, rather than going into a one-way treasury**. This makes a price decline on subsequent listings much less likely.

  - ○ The bonding curve can be viewed in detail in our [tokenomics spreadsheet](#), but we also describe it in detail in a later section.

- ● **Buy with any currency.** Users will be able to use any supported currency to buy thanks to [HeroSwap](#): Bitcoin, Ethereum, USDC, DeSo, and even Solana!

- ● **Cashout to any currency.** Users will be able to cashout into any of the supported currencies at any time as well, again thanks to HeroSwap. This functionality is already present in the Openfund wallet.

- ● **Backed by $DESO, not Bitcoin.** The original BitClout bonding curve raised funding in Bitcoin. But what if, instead of all that liquidity converting into Bitcoin, it converted into $DESO instead?

  - ○ **The combination of HeroSwap and Openfund allows us to make $DESO the backing currency for the $FOCUS bonding curve, even though our input currencies are BTC/ETH/SOL/USDC/etc...**

  - ○ HeroSwap and Openfund will make the conversion to and from DESO completely frictionless. **People buying $FOCUS on the app will never even need to be aware of DESO.** They will simply convert any input currency into $DESO under-the-hood, and then into $FOCUS by hitting the $DESO-backed bonding curve.

  - ○ Meanwhile, DESO's demand increases with every purchase of $FOCUS, since it is required in order to acquire $FOCUS in the first place.

The reasoning goes as follows: If BitClout was able to garner so much attention with its poorly-optimized, up-only, Bitcoin-only, no-cashout bonding curve, the hope is we can do somewhere near as well with a two-way, any currency cashin/cashout bonding curve. And as a bonus, all of the backing liquidity will flow into $DESO rather than into Bitcoin.

Full Tokenomics

Each section below describes a particular allocation of tokens and how it works, summarized in the pie chart below. We recommend readers to reference our [tokenomics spreadsheet](#) while reading through each section, as it is the "source of truth" on how tokens will actually be distributed.

$FOCUS Distribution Schedule

- Total Reservation Tokens (UNLOCKED)
- Total Reservation Bonus Tokens (LOCKED for 4y from App Launch with 1y linear vest after)
- Total Tokens in Bonding Curve (UNLOCKED, negligible)
- Team Tokens (LOCKED for 5y from App Launch with 1 year linear vest after)
- Total All-Time Incentive Tokens (LOCKED for 1y from time of receipt with 4y linear vest after, amount is an estimate)

Reservation Tokens

This section describes how to purchase $FOCUS tokens at the lowest possible price by reserving them when the reservation flow opens on Jan 11th. **While reading, note that reserving tokens is really more like staking funds, since the reservation principal can be redeemed against the bonding curve at App Launch while keeping one's bonus tokens.**
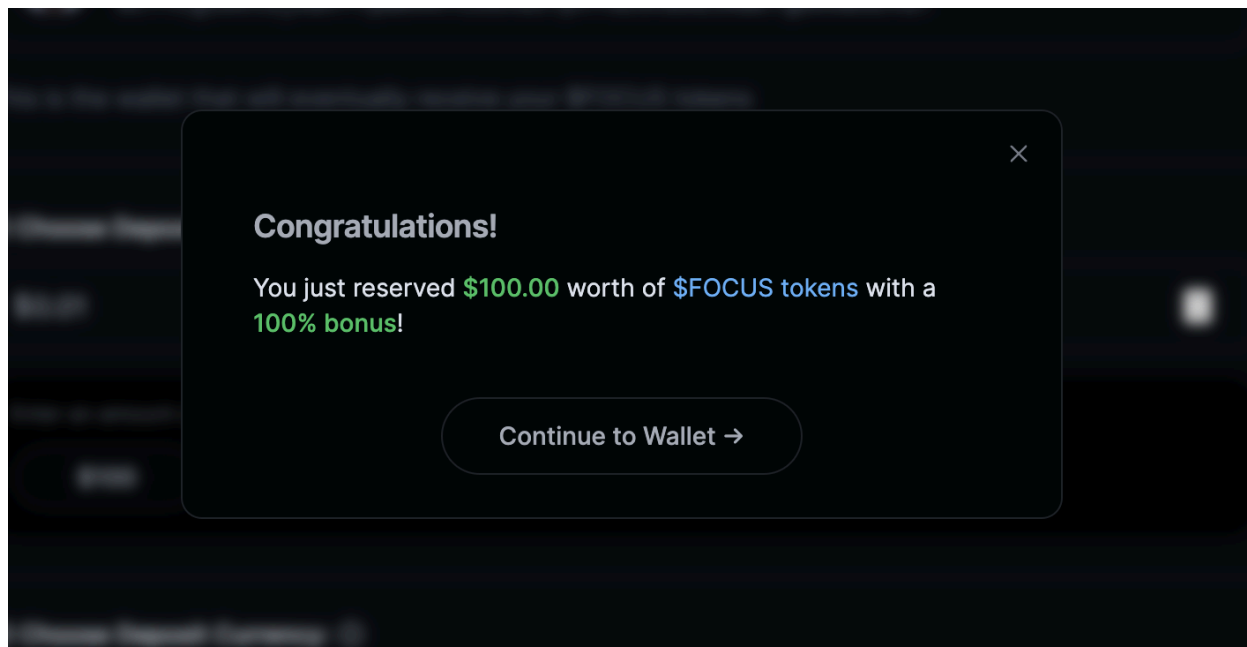
You can get $FOCUS tokens by making a refundable reservation between Jan 11th and the date of App Launch. The details of this process are described below, with a full example after:

- **Bonus for early reservations.** Everyone who reserves tokens during this period gets tokens at a fixed reservation price of $0.001, but **users who reserve earlier get a bonus of up to 100%**

  - This is easiest to understand with an example. If you reserve $100k USD worth of tokens when the bonus is 50%, you will receive $100k in unlocked reservation tokens at the reservation price of $0.001, plus another ~$50k in bonus tokens at the reservation price, which are locked for 4y with a 1y linear vest thereafter. That's 100M unlocked reservation tokens, plus an extra 50M locked bonus tokens.

  - You earn the maximum bonus of 100% by reserving within one week of Jan 11th

    - After that, the bonus percentage drops steadily until the date of App Launch. You can see the full bonus schedule here. Note that we are planning to launch by the end of Q1, but this schedule provisions for unexpected delays up to an expected maximum launch date of June 16th.

  - This means that everyone who reserves within the first week of reservations opening not only gets the same price, but also the same bonus as well.

- **Use any currency.** Thanks to HeroSwap, users can reserve using BTC, ETH, SOL, USDC, DESO, and more.

- **Fully refundable.** Reservations are fully refundable up to the date of App Launch. After App Launch, tokens can be sold for the full reservation amount, while keeping one's bonus tokens, by selling against the floor bid, although this may not be the optimal strategy, as we will discuss.
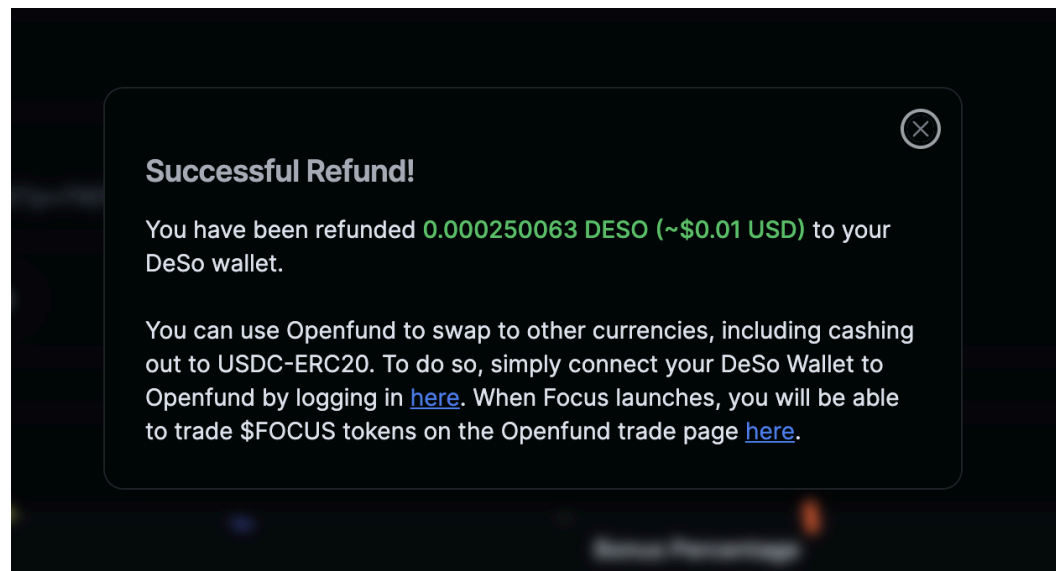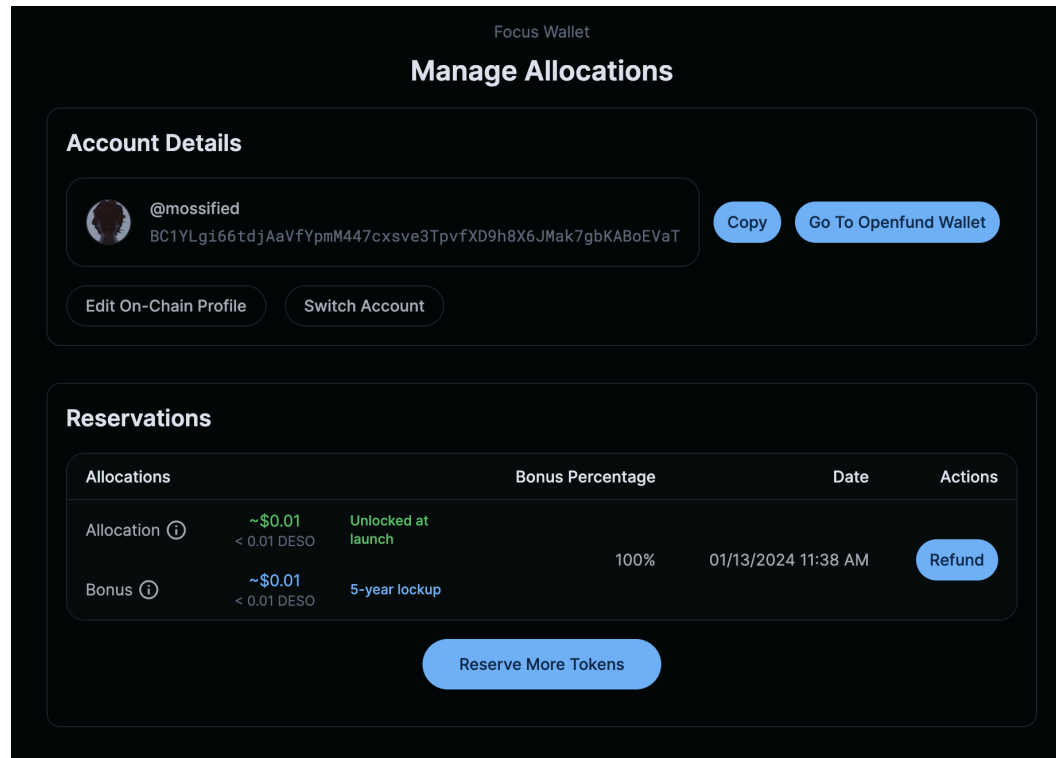
- **Backed by $DESO.** Regardless of input currency, all reservations will be converted to $DESO before App Launch, since the $FOCUS bonding curve is backed by $DESO. More details on this later. Again, refunded reservations can be converted back into the input currency via HeroSwap.

- **Tokens distributed on App Launch.** On the date of App Launch, all reservation-holders will receive their fully-liquid reservation tokens, which they can

immediately trade against the bonding curve, plus their locked bonus tokens

- **The floor bid.** After App Launch, a floor bid with size equal to the total amount raised will be set at the reservation price on the DeSo DEX via Openfund.

    - **This means users who decide to sell their tokens can redeem their full purchase amount by selling against the floor bid, while _keeping_ their bonus tokens. It also makes reserving tokens more like staking.**

    - **What's more, because no tokens unlock within the first year of app launch, other than the reservation tokens, the ability to redeem one's full reservation amount by selling against the bonding curve is maintained for the entire first year.**

- **Cashout to any currency.** Users will be able to cashout into any of the supported currencies at any time either during or after the reservation period as well, again thanks to HeroSwap. This functionality is already present in the Openfund wallet.

Running an example. Below we run through a simple example that is expressed in our tokenomics spreadsheet. If you wish to reserve a different amount, you can use that spreadsheet to figure out how many tokens you're going to get by plugging in your amounts:

- Assume we want to reserve $100k USD worth of tokens. Also assume the bonus percentage when we go to reserve is 50%.

- In this case, you would receive $100k USD worth of unlocked reservation tokens at the fixed reservation price of $0.001, and an additional ~$50k USD worth of locked bonus tokens at the same price. Note that reservation tokens are fully unlocked and liquid at App Launch, but that bonus tokens are locked for 4y with a 1y linear vest thereafter.

    - This comes out to 100M unlocked reservation tokens as well as 50M locked bonus tokens.

- **Reservations are held in $DESO.** There is one important detail, which is that all reservations are held in $DESO for the duration of the reservation period, meaning that fluctuations in the price of $DESO will affect the number of tokens one ultimately receives. We work through two examples below: One where DESO price goes up, and one where DESO price goes down.

    - **More tokens if DESO goes up.** Suppose DESO price is $40 when you reserve, but then doubles to $80 by the time App Launch happens. Your $100k would be converted to 2500 DESO via HeroSwap at the time of reservation and, in this case, it would be as if you reserved $200k worth of tokens, rather than $100k worth of tokens at the time of App Launch. And so you will receive $200k USD worth of unlocked reservation tokens and ~$100k USD worth of locked bonus tokens (because your bonus was 50%). At the fixed reservation price of $0.001,

this would come out to 200M unlocked reservation tokens and 100M locked bonus tokens.

- ○ **Fewer tokens if DESO goes down.** Now suppose DESO price is $40 when you reserve, but that the price drops to $20 by the time App Launch happens. Again your $100k would be converted to 2500 DESO via HeroSwap at the time of reservation. However, in this case, it would be as if you reserved $50k worth of tokens, rather than $200k worth of tokens at the time of App launch (because the 2500 DESO has dropped in value). This would come out to $50k in unlocked reservation tokens and ~$25k in locked bonus tokens, or 50M unlocked tokens and ~25M locked tokens at the fixed reservation price of $0.001.

Reserve your $FOCUS tokens

You can reserve tokens with BTC, ETH, SOL, DESO, USDT-ERC20 & USDC-ERC20

How much would you like to reserve?

$100   USD ⇅

Enter an amount or choose below:

$100 $1,000 $10,000 $100,000 $1,000,000

Reserve $FOCUS

You will get a **100%** bonus if you reserve within the next 4 days, 21 hours and 38 minutes ⓘ

1) First, choose your deposit currency.

Your DeSo Public Key   [⧉ Copy Address] [👥 Switch Account]

@mossified
BC1YLgi66tdjAaVfYpmM447cxsve3TpvfXD9h8X6JMak7gbKABoEVaT

This is the wallet that will eventually receive your $FOCUS tokens

1) Choose Deposit Amount:

$100   ⬍

Enter an amount or choose below:

[$100]   [$1,000]   [$10,000]   [$100,000]   [$1,000,000]

2) Choose Deposit Currency: ⓘ

Ethereum   ⌄

Ethereum to deposit: **0.04291** ⧉
You will reserve: **$100.02134 (~2.50116 DESO)**
Network fee: **$1.65594 (~0.00064 ETH)**

Your reservation will be held in DESO ⓘ

2) Next, deposit your currency (ETH)

Deposit Address (ETH):

0x012599f8271F9326A249Ba1cAfe7A22997c6F822   [⧉ Copy Address]

> Ethereum you send here will automatically convert to DESO to reserve your allocation.
> You can deposit as much or as little as you want.
> You can also refund your allocation in full at any time after reserving. ⓘ

Note: This address only accepts mainnet ETH sent from an Ethereum wallet. Do not send ETH from other networks, side chains, ZK-rollups, wrapped ETH, etc. or it will result in a loss of funds.

Your Balance: ~69,201.96824 USD   [Refresh]
                   (1,730.48183 DESO)

Having a problem? Message HeroSwap Support

Deposit History   ○ Updating...

No history found.

Reserve $100.00 Allocation!
(~2.5 DESO)

You will get a **100%** bonus if you reserve within the next 4 days, 21 hours and 37 minutes ⓘ

The $FOCUS Bonding Curve

After App Launch, all reservations will be converted into a combination of unlocked tokens and locked tokens, depending on each person's bonus percentage. At this point, everyone will be able to trade tokens peer-to-peer on the DeSo DEX via Openfund, and $FOCUS will be officially listed and trade-able on the [Openfund trade page](). **To improve liquidity, Focus will launch with an automated market-maker, or "AMM," which will place automated buy and sell orders that users can transact against.**

There are two simple components to the $FOCUS AMM: The floor bid and the two-way bonding curve.

- **The power of the floor bid.** After all reservation-holders receive their tokens, we do something unusual with the funds raised. On the day of App Launch, after reservation-holders have liquid tokens, we take all of the funds raised and place a "floor bid" at the fixed reservation price of $0.001 on the DeSo DEX via Openfund. This allows

anyone who wants liquidity within the first year to sell their tokens back for the same price they got them for (in DESO terms). We run through an example of this below, which is also detailed in our [tokenomics spreadsheet](#). You can play with these parameters in the "App Launch Variables" section of the spreadsheet.

- Assume that the reservation period resulted in 2.5M DESO being raised, equal to $100M USD at a $40 DESO price. Since the fixed reservation price is $0.001, this would mean that 100 billion unlocked tokens are now held by reservation-holders.

  - Note that the number of locked bonus tokens distributed would be between zero and 100 billion depending on what bonus percentage each person got (the 100 billion upper bound would be if *everyone* got the maximum bonus of 100%).

  - Note that we reference prices here and in the next section in USD, but in practice all prices will be in DESO. The DESO conversion rate will be set based on the DESO price at the time of App Launch, which is a modifiable field in the spreadsheet. For example, if the DESO price at the time of app launch was $40, then the floor bid would be $0.001 / $40 = 0.000025 DESO per $FOCUS. Users who transact against the floor bid would then get a fixed amount of DESO per $FOCUS, regardless of what the DESO price does after App Launch.

- Since we raised $100M USD (actually 2.5M DESO), we now put in a "floor bid" at a price of $0.001 (actually 0.000025 DESO per $FOCUS) to buy 100 billion tokens. The floor bid will remain in place for no less than two years, at the discretion of the Focus dev team.

- **This floor bid makes it so that anyone who wants to will be able to redeem their liquid $FOCUS token for the full amount of $DESO they put in, while *keeping* their locked bonus tokens, essentially as an airdrop.**

- **What's more, because no tokens unlock within the first year of app launch, other than the reservation tokens, the ability to redeem one's full reservation amount by selling against the bonding curve is maintained for the entire first year.**

- **Why do we do this?** We believe in Focus's long-term potential, we don't need the money, and we want to make it as easy as possible to support this project. It's much more valuable in the long-term to have millions of people reserve tokens and give the Focus platform a shot than it is to make a quick buck off of a tax on token purchases.

- **The two-way bonding curve.** The floor bid provides a baseline amount of *buy pressure*, but we also want to make sure that anyone who wants to buy $FOCUS *after*

the reservation period can do so directly on the DeSo DEX via Openfund. To support that, we will be launching a two-way bonding curve via an automated market maker on App Launch day. You can follow along in our tokenomics spreadsheet, specifically the section titled "Focus Automated Market-Maker Bonding Curve" and the section "Bonding Curve Variables."

- First, we have the floor bid at the reservation price of $0.001. This is a buy order whose size equals the total amount of funding raised during the reservation period. **When someone sells $FOCUS against this order, their tokens are simply burned forever.**

    - Note that we reference prices here in USD, but all prices will actually be in DESO, using the DESO price at the time of App Launch. For example, if DESO price was $40 at App Launch, then the floor bid would actually be $0.001 / $40 = 0.000025 DESO per $FOCUS.

- Above the floor bid, we have small sell orders at 5% increments. That means we have our first sell order at $0.001*1.05 = $0.00105, our next sell order at $0.00105*1.05 = $0.0011, and so on... You can see this in the schedule in the tokenomics spreadsheet.

    - Each sell order has a size of $2,500 USD, which is actually an amount in DESO, converted using the DESO price at the time of App Launch. For example, if DESO price was $40 at App Launch, then each sell order would be offering 63 DESO worth of $FOCUS at the specified price. At $0.00105, that's 2,380,952 $FOCUS. At $0.0011, that's 2,267,574 $FOCUS. And so on... These examples are all in the schedule in the spreadsheet.

- When someone executes against an AMM sell order, a buy order is immediately placed slightly below the sell order, providing a backstop against future sell pressure.

    - As an example, if someone were to buy 1M tokens at $0.00105 from our AMM's order, then the AMM would immediately put in a bid to *buy* 1M tokens at $0.00105*0.999 = 0.00104895 (10 basis points lower).

    - Similarly, if someone then sells against the AMM's $0.00104895 bid, it would then re-add the 1M tokens it received to its offer at $0.00105. This is why we call it a *two-way* bonding curve. Because you can buy *and* sell against it.

    - Note that the floor bid is an exception to this rule. If anyone sells against the floor bid, their coins are burned. No sell orders are created in this case.

- ○ Importantly, anyone can submit orders to buy and sell *in between* the AMM's offers. For example, someone could put in an order to buy coins at $0.00102, and their order would have to execute before the AMM's order. And similarly with bids. **As a result, the AMM can be thought of as a buyer and seller of last resort.**

Team Tokens: The Importance of Alignment

On the day of App Launch, after all of the reservation tokens and bonus tokens are distributed to reservation-holders, an equal number of tokens will be distributed to the Focus dev team. However, unlike all other tokens, team tokens are locked for five full years, with a 1 year linear vest thereafter. **This means that the team will not get a single liquid token until *every reservation and bonus token is fully liquid*.**

Because the number of Team Tokens is determined based on the number of tokens that are minted in the reservation phase, we work through an example below for clarity. This example is fully worked out in our [tokenomics spreadsheet](#) in the "Token Distribution" section, where you can play with the "Average Bonus Percentage."

- Assume the reservation phase raised $100M USD, with an average bonus percentage of 50%. This would mean that 100 billion unlocked reservation tokens, and 50 billion locked bonus tokens would be distributed on App Launch day, for a total of 150 billion tokens total.

- The number of team tokens distributed is equal to the total reservation tokens distributed. This means that 150 billion tokens would be distributed to the Focus dev team. These tokens would be locked for 5 years, with a 1 year linear vest thereafter.

Importantly, these team tokens are the only way the dev team can make money off of the Focus platform, barring externalities like $DESO holdings. In addition, by assigning the longest vest to these tokens, we ensure that the team is always optimizing for the long-term, rather than looking for some short-term liquidity event.

Best of all, because the team has the exact same asset as everyone else, namely $FOCUS tokens, it ensures alignment when it comes to distributing incentive tokens, as we'll discuss in the next section. **In particular, because the team has the longest vest, and because the team doesn't want to get unnecessarily diluted by token giveaways, it will cause them to solely prioritize incentives that increase the long-term value of the platform.**

Incentive Tokens and Satoshi Vesting

The final category of tokens are what we call "incentive tokens." These are tokens that we use to solve the cold-start problem initially, and to ensure retention in the long-term. In [the white paper](#), we allocate these tokens to two programs, called The Social Airdrop and Post to Earn respectively. But what other programs could be useful, and how many tokens will we need to distribute in order to get the Focus platform off the ground?

At a high level, the Focus dev team maintains full discretion over how many tokens to allocate to incentive programs. This is important because incentive programs will often need to be tweaked in real-time, and often in direct response to user feedback. For this reason, we believe it's important to allow the team the flexibility to make quick adjustments, while maintaining full alignment with all token-holders.

The above being said, while this could change, we believe it's important to communicate that **we don't believe we will need to spend significantly more than 20% of the token supply on incentives over the lifetime of the platform.**

We arrive at this number by first considering the maximum amount we think we'll need in the first year, which we believe is 10%, as explained below. Then, in subsequent years, partially because we expect the Focus platform to grow and for $FOCUS to appreciate, we make the simplifying assumption that we will need half as much as in the previous year. So, in the second year we'd need no more than 5%, then 2.5% the next year, and so on. This creates an infinite series, which sums to 20% in total. In practice, we may need even less than this in subsequent years, but halving provides an elegant series that caps the supply. We call this concept "Satoshi Vesting," as a nod to Bitcoin's fixed-supply halving scheme, and we first introduced it in this blog post.

Now, how did we arrive at 10% for the first year? For that, it's best to consider an example. If we raise $100M USD in reservations with a ~50% average bonus percentage, as the tokenomics spreadsheet models in the "Token Distribution" section, then we'd have ~150B total reservation tokens and bonus tokens, and the same number of Team Tokens, totalling ~300B tokens. That brings the number of incentive tokens we would spend to approximately ~60B total, or ~30B in the first year, which comes out to $30M USD worth of incentives at the reserve price of $0.001.

As discussed in the white paper, Post to Earn can run at *maximum capacity* for $10.5M/yr, and the social airdrop, again at *maximum capacity*, is similarly budgeted. This yields a total of ~$21M in the first year, leaving us a buffer of over $10M. If we raise less, we can simply make these schemes more efficient, and still bootstrap an amazing flywheel.

In subsequent years, we have two very positive forces that lead us to conclude that we'll need *significantly less* than 10%. The first positive force is the growth of the platform: If the platform is growing, we likely won't need to spend as much on incentives anymore. The second positive force is the increase in $FOCUS value. If $FOCUS tokens increase in value by 2x within the first year, then 5% becomes equal to the first year's spend in USD value. Note that $FOCUS increasing in value also has a positive *wealth effect* on all users who previously received locked tokens, since their holdings have now become significant, which could compel them to share it more aggressively than traditional platforms.

Again, our goal is not to spend *exactly* 10% in the first year. Our goal is to spend *as little as possible* while ensuring the long-term success of the platform is maximized (since that's how we're incentivized). This could also include spending a little more than expected if it's

something that could improve the platform's long-term prospects. As such, the 10%, 5%, 2.5%, ... series is intended to be an estimated upper-bound, but one that leaves enough flexibility to adjust as-needed.
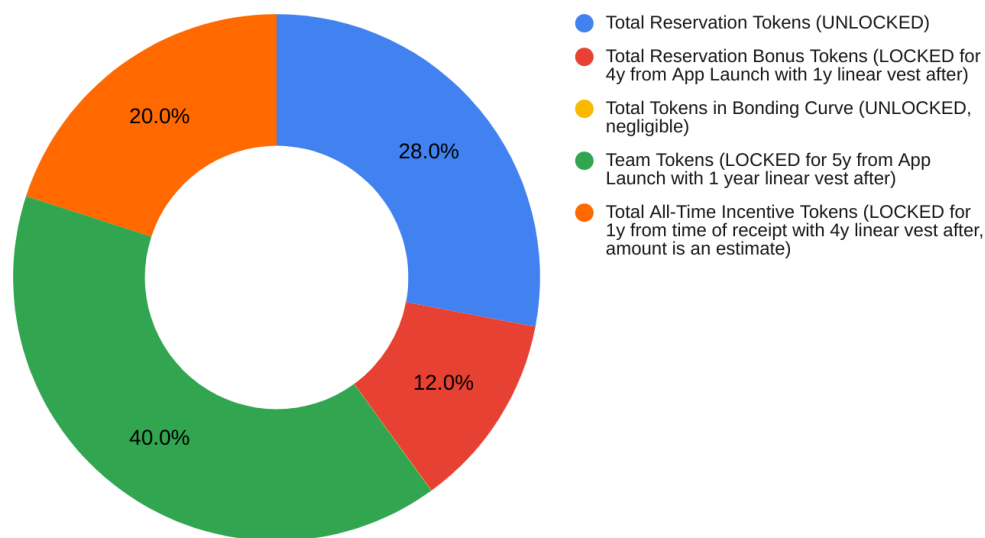
100% of Fees Go to Buy & Burn $FOCUS

Critically, $FOCUS is designed to be an extremely *deflationary* currency in the long-term. This is because 100% of all fees generated by creators on the platform are used to buy & burn $FOCUS tokens on the DeSo DEX via Openfund. The white paper lists the various fee sources we aim to have at launch, but as we continue to find new ways to help creators to monetize, and as the size of the network grows over time, so too should the amount that we're buying and burning each year.

Incentive tokens are used to get initial adoption and retention, but once that is achieved, the hope is that we can turn the incentives off. Once that happens, $FOCUS will become a purely deflationary currency, and one of the few in all of crypto whose deflation is based on true fundamental value.

Putting It All Together

The chart below, which is defined in the tokenomics spreadsheet, details each of the token allocations that we've described in prior sections.

$FOCUS Distribution Schedule

- Total Reservation Tokens (UNLOCKED)
- Total Reservation Bonus Tokens (LOCKED for 4y from App Launch with 1y linear vest after)
- Total Tokens in Bonding Curve (UNLOCKED, negligible)
- Team Tokens (LOCKED for 5y from App Launch with 1 year linear vest after)
- Total All-Time Incentive Tokens (LOCKED for 1y from time of receipt with 4y linear vest after, amount is an estimate)

Some things to note:

- **All zero-cost-basis tokens are locked.** The only tokens that are unlocked at App Launch are the tokens that users purchased with their reservation funds. This means

that it is impossible for the $FOCUS price to drop below the reservation price of $0.001 within the first year.

- **Founder tokens have the maximum lockup.** Founders do not get a single liquid token until after every single reservation token has fully vested. This ensures long-term alignment between the dev team and all other token-holders.

- **Bonding curve tokens are negligible.** The number of tokens allocated to sell orders on the bonding curve is negligible. This reduces the amount of sell pressure the bonding curve imposes, while still providing reasonable backstop liquidity.

- **Floor bid token sales are burned.** Whenever someone sells their tokens against the floor bid, those tokens are burned. This should have a strictly deflationary impact on the supply that is not fully reflected in this chart.

I Have More Questions

If you have questions after reading this doc, you can query this custom GPT model for clarification. The dev team is also regularly checking this DeSo thread and the Focus Alpha Telegram channel, and you can ask questions there.