

# Fundamental

## Prime Rating Report V2.0

**Protocol:** Oryn  
**Version:**  
**Previous Report:** None

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## 1. 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.

### a) 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? Is the project a fork? To what extent did they copy/fork the original?

**Answer:**

Oryn is the first DeFi options trading platform running on Convexity Protocol, that allows users to buy, sell and create options using ERC20s. Since their options(oTokens) are ERC20s, they can be traded on any decentralized exchange that follows the ERC20 standard. Something unique that Oryn has [introduced](#) recently is the ability to partially collateralize orders, thus allowing traders more flexibility with the assets in their portfolio as these orders require less capital to secure the options contract.

Oryn has also [launched](#) a permissionless insurance platform to protect its users. Since before the primary DeFi insurance protocols were permissioned it meant the majority of the space was left uninsured in the event of a hack or exploit of the smart contract. Oryn aims to solve this problem. Users can also insure their deposits on other platforms such as Compound or [Aave](#) using Oryn.

As I was writing this report at the end of Dec 2021 Oryn launched their Squared Ethereum token or SQUEETH.

Oryn developer Joe Clark [described](#) SQUEETH as a "new DeFi primitive" that allows stablecoin/ETH liquidity providers to earn swap fees without being exposed to the impact of price fluctuations in Ethereum for the first time.

They are not the only DeFi platform for trading options or for permissionless insurance; however for options they are the first launching in the summer of 2019, and have since launched unique features earning a score of 14.

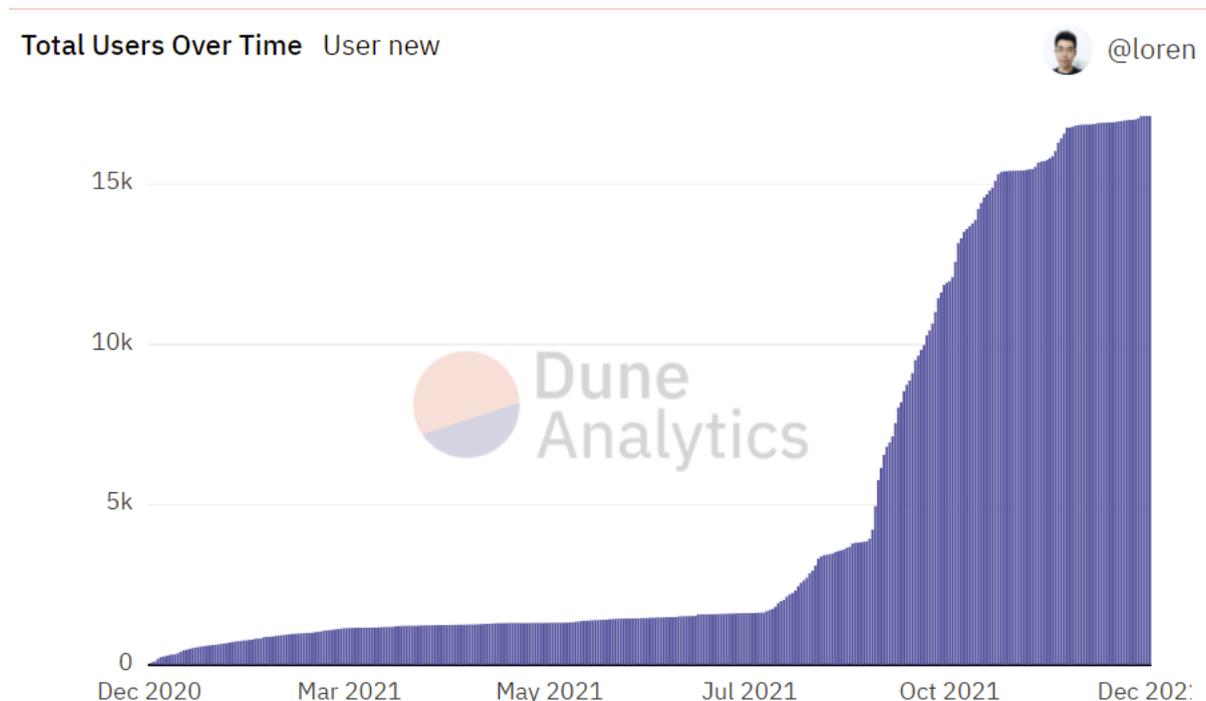
The screenshot shows the Oryn website interface. At the top left is the Oryn logo, and at the top right is a 'Get started' button. The main heading is 'Securing Decentralized Finance' with the subtext 'Oryn allows you to insure your DeFi deposits.' Below this are two buttons: 'Get started' and 'Get updates'. A table displays Compound deposit options:

Compound		Duration	Uninsured Yield (APR)	Insured Yield (APR)	
Insure Compound Deposits					
USDC		1 year	4.09%	3.09%	<a href="#">Get started</a>
DAI		1 year	7.82%	5.82%	<a href="#">Get started</a>

Score: 14

## b) 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 (can also be measured by user adoption/ #of users). 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:**

According to [Dune Analytics](#) Oyn currently has 17,132 total users. The user base has healthily increased since the launch of V2, with a continuous explosion of new users starting in August of 2021. It is clear that this platform satisfies a strong market demand and has done a great job at holding on to its original users. They are targeting a very specific market (options traders moving into DeFi) and their growth suggests that this is the right market for them and they are serving it well.

I feel that Oyn's timing was great. It would seem they attempted to introduce options trading to DeFi a bit early. Since the Defi space is very new and options trading is advanced, it would seem the launch of Oyn was rather ambitious considering the public having an uncertain sentiment for DeFi at the time (who would want to risk capital on a new platform, using a trading method that was already difficult to understand before introducing it to DeFi?). However this gave the platform time to refine and introduce its new and improved version just as DeFi became much more popular.

**Score: 15**

### **c) 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:**

In the traditional finance space, equity linked derivatives (Options being the most popular subclass of this type of financial security) had a gross market value of \$840 billion at the end of 2020. [Source](#) According to [defipulse](#) the entire derivatives market has a total value locked of about \$3 billion. These numbers suggest that there is a huge market and plenty of room for growth.

“Options are a \$300 trillion market that Oyn is reimagining by making it more inclusive, fair, and transparent” said Oyn CEO Zubin Koticha

On top of this, as more money continues to move into this space, people will demand faster and more secure services. Since Oyn also offers a way to insure digital assets on certain platforms, they have positioned themselves to capitalize on this growing market as well.

**Score: 10**

### **d) 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). To evaluate this, metrics to directly compare with the competition can be used (e.g. TVL, trading volume, number of users).

**Answer:**

Oyn has quite a few competitors in the DeFi options trading space, Ribbon Finance and Hegic being the primary competitors. There are even more competitors in the derivatives DeFi space which I will not take into account since this is a broader category.

Oryn has gone back and forth in ranking with Hegic, FinNexus and Ribbon Finance.

Currently at the end of Q4 2021 Oryn is ranked #35 on [defipulse](#) with \$216M (total value in USD locked) right behind Ribbon Finance at #34 with \$216M.

Oryn is often the first platform listed when searching for options trading in the DeFi space, likely since it was the first one to exist. The most recent article on [medium](#) discussing options lists Oryn first; however this is a few months old.

As far as insurance goes [InsurAce](#) and [Nexus Mutual](#) are on the top of the list of competitors, with their primary focus being insurance and coverage against exchange hacks and smart contract failures. These companies offer different types of coverage and service dozens of protocols. Oryn is a bit newer to insurance, with their primary focus still being options trading, nonetheless they are growing in this sector and there is definitely a [market](#) for it.

This healthy competition has yielded some new innovations and functions such as partially collateralized orders. Oryn is the original benchmark platform of its type, when a competitor occasionally out-ranks Oryn it is still the top alternative and thus earns 8 points.

**Score: 8**

## e) Integrations & Partnerships (15 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/ partnerships without much purpose).

**Answer:**

Oryn has had decent [funding](#) and [partnership](#) early on starting with Dragonfly Capital and Uniswap for V1 of this platform as well as Paradigm and 0x for V2.

They have been a member of the CDA (Chicago DeFi Alliance) since May of 2020 and partnered with Aave later that year in July allowing Oryn users to protect their USDC deposits in Aave with liquidity on Balancer. ([source](#))

Over the summer of 2021 a synergistic relationship developed between Oryn and [Ribbon Finance](#) which looked to be their biggest upcoming competitor. Oryn can now offer Ribbon's structured products, while Ribbon can make use of the custom parameters Oryn's on-chain options offers.

There is no shortage of horizontal integration and now [Defidollar Finance](#) is one protocol that is being built on top of Oryn.

Considering the volume traded alone, derivatives have become a money lego of the crypto ecosystem. Since Oryn is the first and often the largest platform for trading options, is integrated with other protocols that are trading options, and is now utilized for insurance by larger protocols like Compound and Aave, it is quickly becoming irreplaceable.

# INTEGRATIONS



## Ribbon Finance

Earn high yield on your cryptoassets with automated option strategies

[Start Earning](#)



## Opeth

Fuse put options with underlying collateral to issue stablecoin loans

[Start Trading](#)



## Gamma Portal

Advanced options chain, oToken Factory, and OTC trades

[Start Trading](#)



## Fontis Finance

Earn high yield with automated option strategies

[Start Earning](#)



## Optional Finance

Deposit funds into managed vault-style tokens to earn yield

[Start Earning](#)



## Oryn Trade Bot

Twitter bot that tweets live trades and platform analytics

[Start Following](#)



## Oryn Monitor

Advanced interface for users to keep track of their Oryn v1 positions

[Start Trading](#)



## Ziku Finance

Simplest interface to buy DeFi options

[Start Trading](#)



## Stake DAO

Earn high yield on ETH deposits with automated option strategies

[Start Earning](#)

Score: 14

## 2. Tokenomics

The Tokenomics section 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.

### a) 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:**

"There is currently no protocol token for Oryn. We have a strong thesis of community owned and governed protocols. Our goal is gradual decentralization as the protocol matures, so potentially down the line." - Alexis Gauba

[discord](#)

**Score: N/A**

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

Is the token useful within the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way? Does it serve any other purposes?

**Answer:**

**Score: N/A**

**c) Is the issuance/distribution 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:**

**Score: N/A**

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

A value accrual and distribution mechanism can help improve the utility 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:**

**Score: N/A**

**e) 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:**

**Score: N/A**

## **f) Are there any extrinsic productivity use cases for the token? (10 points)**

Besides the protocol's value distribution model as described in 2. d), can the token be used productively on other protocols (e.g. as collateral, for lending, LPing, yield farming, etc.)?

**Answer:**

**Score: N/A**

## **3. 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

### **a) 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:**

The leadership team at Oryn includes the Co-Founders [Alexis Gauba](#) and [Aparna Krishnan](#) as well as The CEO [Zubin Koticha](#). All of them have taken or taught blockchain courses at Berkeley and have played key roles in successful companies(see below).

The rest of the people working with Oryn are publicly accessible on [linkedin](#), the vast majority having impressive experience, education and endorsement.

A credible team means having people with a reliable and visible track record and all members of this team have exactly that. (The one missing profile link is for [Joseph Clark](#))

**Score: 14**

### **b) 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:**

Co-Founder [Alexis Gauba](#) studied computer science, cryptography and law. Alexis also co-founded [she256](#).

Co-Founder and CTO [Aparna Krishnan](#) studied computer science and taught the world's largest accredited blockchain course at Berkeley.

CEO [Zubin Koticha](#) previously Co-Founded Mechanism Labs and was the head of Research and Development of Blockchain at Berkeley.

All three attended Berkeley studying blockchain and have worked together before at [Mechanism Labs](#). If they have been able to work successfully on more than one project together (that were also in the web3 space), that definitely alludes to decent teamwork!

[Andrew Leone](#) is Oryn's ace in the hole as far as finance goes. He has worked for Bank of America and was the VP of Nomura securities where he was the head volatility index trader and responsible for client and proprietary strategies for Options trading and many other types of investments. Andrew currently is the head of Oryn's research team. I couldn't find team members with insurance experience; however since Oryn offers insurance of financial assets, Andrew's experience would appear to be somewhat relevant to this aspect.

**Score: 9**

### **c) Does the team participate and help shape the public debate? (5 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:**

Zubin participates in discussions/debates about whether recent exploits or hacks should be considered illegal or unethical. This podcast [Unchained](#) discusses the bZx attacks. The consensus was that it cannot be considered illegal if the code for this type of exploit to be made possible exists on a protocol or series of protocols. The protocol should then be responsible for the code they are deploying and the functions that are available through it. One option to help prevent exploits like these is to have bug bounties (searches for unknown vulnerabilities) or increase the payout for protocols already implementing them.

Alexis having founded she256 and Aparna also working on this project, they actively encourage and speak on diversity in the blockchain space and the importance diversity has on collective strength. [The Blockchain and Us](#)

**Score: 5**

## d) 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?

### Answer:

From early on this team has attracted the [funding](#) and partnerships needed to make their protocol successfully thrive. There was a [pre-seed](#) round of \$250K in March 2019 (there was little info on this besides the amount). In June of 2020, Oryn raised a \$2.16M [seed](#) round from top DeFi investors, led by Dragonfly. After Oryn launched V2 they closed a \$6.7mm Series A funding round, led by Paradigm in February of 2021.

Their community on [discord](#) is very active and supportive of each other. To maintain the integrity of their protocol growing in both strength and [security](#), bug bounties are offered at high prices.

Oryn is actively hiring for positions needed to be filled as this platform grows and a portal for applicants is available on their [website](#).

There is no evidence suggesting that they are seeking or in need of additional funding. Considering that Oryn has had 3 well timed rounds of funding suggests they are quite effective at attracting resources.

The fees that are charged to use Oryn are the 0x and Ethereum gas fees. When asking their community on discord what revenue is generated and how it is utilized, I was directed to a response to a similar question an admin [Wade](#) answered. "Oryn is venture backed, at the moment there's no protocol revenue."

Score: 10

## 4. 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.

**"For transparency, we're working to identify a scenario that will enable the long-term health and growth of the protocol and the Oryn community. As mentioned, the goal is gradual decentralization, and when a token is distributed, the majority will be distributed to the community, DAO, or in the form of grants. We also want to make sure we're attracting the right users who care about the long-term sustainability of the protocol."** - Alexis Gauba on [discord](#)

### a) 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:**

"The contracts are upgradeable. However, oTokens are deployed using EIP1167, aka 'minimal proxies' As a result, once deployed, they cannot be upgraded. However, the implementation of future oTokens can be upgraded." -Amethyst. A support admin on Oryn's [discord](#)

These contracts are immutable once deployed. Since there are future plans to deploy upgradable contracts, Oryn may be on the verge of having governance but is not quite there yet.

**Score: 20**

## **b) 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:**

**Score: N/A**

## **c) 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:**

**Score: N/A**

## **d) Governance technology/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 voting mechanism or dedicated channels exist for governance debate or the discussion of future plans. For example the latest thing to happen with Oryn was the innovation of [SQUEETH](#) and that was shared in the discord community and promoted on twitter rather last minute.

**Score: N/A**

## **e) 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 and to create

social consensus. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

**Answer:**

**Score: N/A**

## 5. 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.

### a) 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:**

The legal entity for Oryn is [OPYN INC.](#) The co-founders and CEO are the governors of this entity and Registered Agents INC. being the agent of it. I could not find any information that was publicly available regarding the process users or partners holding each other accountable in the event of an agreement breach.(Awaiting a response from the team)

**Score: 13**

### b) 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:**

The jurisdiction of this entity is in the USA, specifically registered in the state of Delaware. Everything appears to be transparent, legitimately set up in a way that fosters accountability.

<https://www.crunchbase.com/organization/opyn>, <https://uspto.report/TM/97040425>

**Score: 10**

## Scorecard

1. Value Proposition

Points

a) Novelty of the solution	14 / 15
b) Market fit/demand	15 / 15
c) Target Market Size	10 / 10
d) Competitiveness within market sector(s)	8 / 10
e) Integrations & Partnerships	14 / 15
<b>Total Points - Value Proposition</b>	<b>61 / 65</b>
<b>2. Tokenomics</b>	<b>Points</b>
a) Is the token sufficiently distributed?	X / 15
b) What is the extent of the token's capabilities?	X / 10
c) Is the issuance model able to improve the coordination of the protocol?	X / 10
d) Is the value capture model able to accrue and distribute value?	X / 10
e) Is the token sufficiently liquid to enable active use and trade?	X / 5
f) Are there any extrinsic productivity use cases?	X / 10
<b>Total Points - Tokenomics</b>	<b>N/A / 60</b>
<b>3. Team</b>	<b>Points</b>
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	13/ 15
b) Does the team have relevant experience?	9 / 10
c) Does the team participate and help shape the public debate?	5/ 5
d) Is the team able to effectively attract and coordinate resources?	10 / 10
<b>Total Points - Team</b>	<b>40 / 40</b>
<b>4. Governance</b>	<b>Points</b>
a) Admin Keys	20 / 20
b) Extent of Governance capabilities	X / 15
c) Active Governance contributors	X / 5
d) Governance infrastructure	X / 10
e) Robustness of Governance process	X / 10
<b>Total Points - Governance</b>	<b>N/A/ 60</b>
<b>5. Regulatory</b>	<b>Points</b>
a) Does the protocol have any legal accountability?	13/ 15

b) What is the quality of the legal jurisdiction?	10 / 10
<b>Total Points - Regulatory</b>	<b>23 / 25</b>
<b>Total</b>	<b>142 / 150</b>

**About the Author:** Greg is a DeFi enthusiast and NFT visual / musical artist.