

# Fundamental

## Prime Rating Report V2.0

**Protocol: Orion Protocol (ORN)**

**Version: 1**

**Previous Report: None**

**Date:**20/12/2021

**Author:** Capo67

**Reviewer:** xm3van

### Instructions

Please go to files and make a copy of this template.

Fill in all questions with a written explainer, any relevant links, and score per variable. Insert the scores in the scorecard at the end of the report.

**Please include your sources** into the text (as a link), so others can follow your trail of thought.

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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:** Orion Protocol is a cross-chain protocol that is built on the Ethereum blockchain. It uses a liquidity aggregator protocol to connect both centralized and decentralized exchange platforms. It offers a smart routing matching engine for trading orders, shared liquidity pools, and a marketplace for decentralized applications. On top of the aggregation solution, Orion Protocol offers multiple other features such as IDO's through their [Solar Flare](#) launchpad, and for their B2B options they have [NFT aggregation](#), [a developer kit](#) for dAPP's as well as a DEX creator, [trade widget](#), [liquidity boost plugin](#), and [a liquidity booster for newly launched projects](#). The native ORN token is an ERC-20 token offering perks to its holders through multiple yield farming options offering competitive APR's in exchange for provided liquidity. When it comes to Orion Protocols mission statement of aggregating multiple CEX's and DEX's into one platform, they are lacking innovation. With that being said Orion is not leaving any potential integrations behind as they have deployed [a secondary smart contract on the Binance Smart Chain](#) as well as a [partnership with the Cardano Blockchain](#), however this is not exclusive to the Orion Protocol.

The Orion Protocol is not a fork of any previous protocol.

Score: 6

## 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:** The demand for Orion Protocols [aggregation of multiple CEX's and DEX's is prominent](#), however the competition is growing daily with new protocols offering similar solutions to the same problem. The number of Orion Protocol token holders has become stagnant since the 1:1 token swap after the [~\\$200 million USD KuCoin exchange hack on September 26th, 2020](#), resulting in minimal growth of the protocols platform for over a year. As we can see here, the active daily wallet addresses according to [santiment.com](#) have remained steady since launch, but with minimal growth.



The Orion Protocol launch was timed effectively on July 17th, 2020 (see photo below) as the markets experienced massive growth in the leading months. But after a few very bullish months, Orion Protocol and its competitors all started to experience similar bearish trends as the markets started to decline. However the leaders in this sector are out performing Orion Protocol drastically when it comes to trading volume, market capitalization dominance, and market capitalization ranking . (see second photos)



### 1INCH Price and Market Stats

1INCH Price	\$2.42
Market Cap	\$1,067,957,452
Market Cap Dominance	0.05%
Trading Volume	\$221,096,895
Volume / Market Cap	0.207
24h Low / 24h High	\$2.21 / \$2.52
7d Low / 7d High	\$2.02 / \$2.52
Market Cap Rank	#110
All-Time High	\$8.65 -72.1% Oct 27, 2021 (3 months)
All-Time Low	\$0.767785 214.8% Dec 29, 2020 (about 1 year)

### ORN Price and Market Stats

ORN Price	\$4.95
Market Cap	\$169,476,953
Market Cap Dominance	0.01%
Trading Volume	\$4,085,433
Volume / Market Cap	0.0241
24h Low / 24h High	\$4.90 / \$5.06
7d Low / 7d High	\$4.58 / \$5.46
Market Cap Rank	#349
All-Time High	\$29.25 -83.1% Mar 22, 2021 (10 months)
All-Time Low	\$0.543143 811.9% Jul 16, 2020 (over 1 year)

Score: 6

## 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:** The aggregation Orion Protocol is offering is more a matter of convenience rather than necessity, thus making the target market size a topic of debate. For new users entering the DeFi space

an All-In-One platform offering cross chain trading is convenient but not mandatory. The target market size has the potential to be massive, pending the mass adoption of DeFi as a means of day to day banking for the [every-person](#).

**Score: 4**

## 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:** The competition of aggregation platforms is substantial, and Orion Protocol actually holds up against most of its competitors in terms of utility, however when it comes to the numbers Orion Protocol falls short. See comparison of daily active addresses to [1inch](#), where you can see 1inch outperforms Orion Protocol by substantial amounts, add on the fact that 1inch launched 6 months after Orion and you can start to wonder why Orion isn't used as much as the competition within the sector.



When it comes to Orion Protocol's weight against other DEXs, it falls short, not even cracking the [top 150 DEXs by trading volume](#).

**Score: 6**

## 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:** This category could be where Orion Protocol stands above its competition. In terms of [partnerships](#) Orion Protocol is working with as many major blockchains and layer 2 solutions as they

possibly can. Being the “first” aggregator on the Cardano blockchain, as well as partnering with Oracle solutions like [Chainlink](#), offering farming and staking on the low gas, fast transaction time, Binance Smart Chain, expanding security partnerships to major auditors like Certik, Orion Protocol has really branched out to serve a role in many different DeFi areas. [IOHK](#) has stated that Orion Protocol will be the one stop shop for all things crypto, including buying and selling tokens on multiple chains, as well as NFT sales, so the horizontal integration of Orion Protocol is actually much above their competition. But when we look at the vertical integration Orion Protocol falls into the average category in comparison to the competition. What Orion Protocol offers in terms of applications being built within the platform is no different than most of the competition looking to build another DeFi aggregator, but given the horizontal advantage Orion Protocol has due to its partnerships, it could be the catalyst to push Orion Protocol to the head of the pack.

**Score: 11**

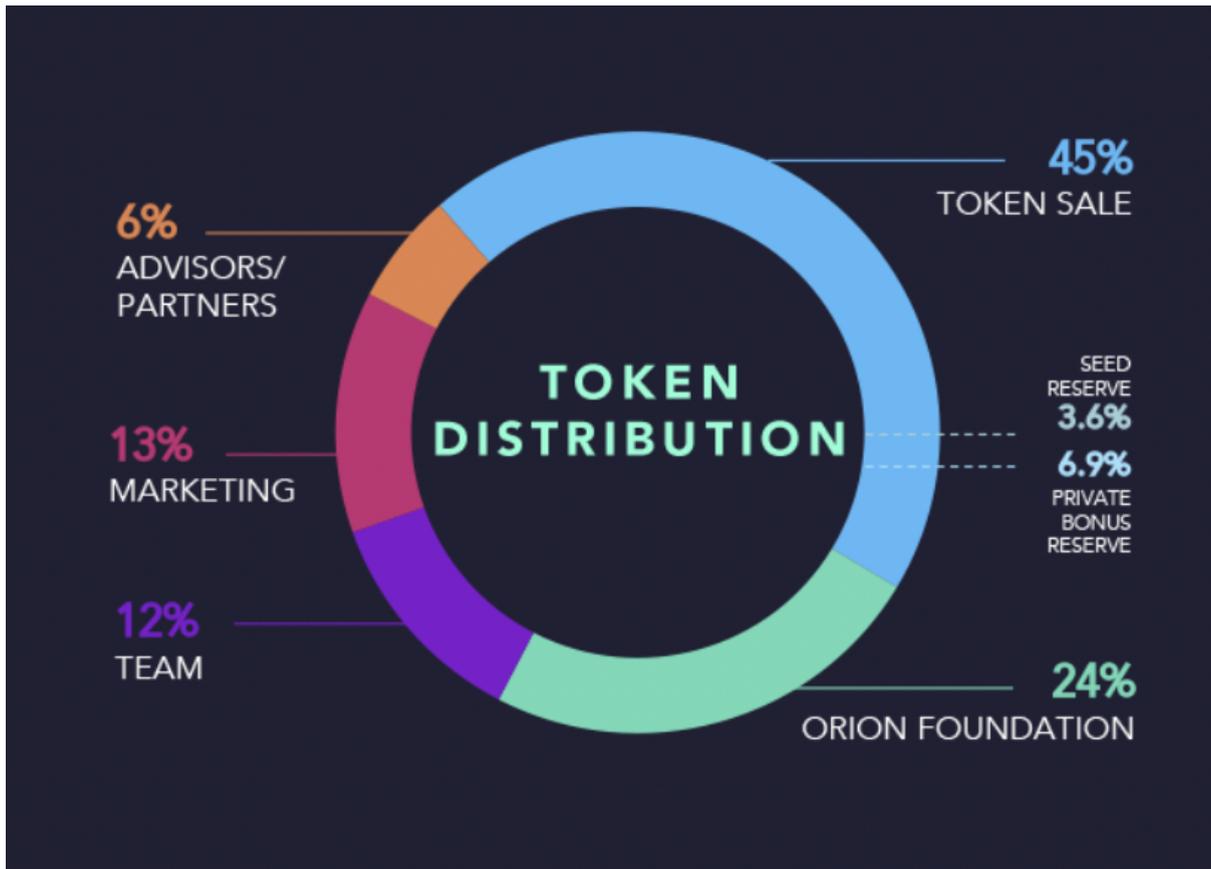
## 2. Tokenomics

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:** [The top 100 wallets hold over 97% of ORN](#), but with 4 of those wallets being exchange wallets like Binance, KuCoin, AscendEX, and Coinbase it's not as bad as it sounds. The fact of the matter is that exchanges need tokens to create trading pairs with, so “Wen Binance?” is accompanied by a wallet allocated to the Binance exchange, the more CEX listings you provide, the more tokens will be allocated to CEX wallets. What's more concerning is that [when you scroll to the very bottom](#), you will see the initial token distribution has over 50% of all tokens ending up in the control of the team or their partners hands. With the team holding 12%, marketing 13%, advisors and partners taking 6%, and 45% allocated to the initial token sale with 3.6% of that 45% going to a seed reserve, and 6.9 of that 45% going towards the private bonus reserve, this is a bad start to token distribution on a decentralized platform.



If you're with me so far, that is leaving 24% of the total supply into the Orion Foundation which does have adequate information online explaining what they will be used for. ([page 33](#)).

Score: 6

## 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:** The main perk for holders is the competitive APR's Orion Protocol offers for providing ORN tokens to its staking pools with rewards being generated by the protocols transaction fees and it's "Proof Of Broker" mechanism, explained below.

### The Staking Mechanism Underpinning Orion

This is all made possible through Orion's proprietary governance mechanism, Delegated Proof of Broker. Built on a network of brokers and stakers, it fulfills every function on the protocol with the ORN token at its core.

Brokers with exchange accounts (or even exchanges themselves, such as Bitmax, Kucoin, MXC, and Injective) run Orion Broker Software, allowing their computers to automatically execute trades routed from the liquidity aggregator via their trading accounts. Brokers are chosen to execute trades based on how much ORN they stake, and receive a portion of fees from each trade they execute.

This fee is shared with 'Non-Broker Stakers', who stake ORN to 'vote' for the broker based on the variable reward share offered. Brokers are incentivized to offer attractive rates to Non-Broker Stakers to grow their stake, increasing their chance of being chosen. The Staking Calculator assumes an average return from broker to staker of 20% (the minimum amount required that a broker must share), in addition to a percentage of the total transactional volume of the protocol.

However, very recently they have introduced voting rights for token holders, to vote on future proposals for the protocol's future. The extent of these proposals and what value they bring to the protocol is yet to be determined as this was only introduced 2 days ago, (dec 16th 2021) and the first vote is ongoing.

From their [whitepaper](#) page 46, "Conclusion"

"All activity on Orion directly or indirectly uses the ORN token. Trading fees and charges for other services like margin trading or advertising can be given in ORN for a discount, or if given in other currencies then are converted immediately to ORN."

So in other words, if people are not using the platform, the ORN token is not offering much, and given the stagnant holder amount of ORN, it seems that ORN is not the most rewardable token to hold across similar protocols.

**Score: 4**

### **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:** ORN is distributed between Uniswap LPs, as well as multiple major CEX's like Binance and KuCoin, as well as 24% going to the "Orion Foundation" as mentioned earlier. With little information to determine the capacity of what those 24% of ORN tokens are able to do, it is hard to say that the distribution is able to improve the coordination of the protocol. Post initial token distribution, the ORN token is allocated to token stakers and farmers across their pools and farms on their website, as well as offering farms on major exchanges such as [Binance and KuCoin](#), to reward CEX users and DEX users alike.

**Score: 3**

## 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:** No obvious mechanisms are in place to distribute some of the value created by Orion Protocols utility, back to their holders by just simply holding. You can benefit from a discounted trading fee when using ORN token to trade on the [Orion Terminal](#), however you only reap the passive rewards by entering into one of their staking/farming pools. These rewards go back to the stakers, and will not directly affect the future development of the protocol.

The protocol has claimed as many as 18 different revenue streams to accommodate for future development, and the generation of rewards for its token holders. However as previously mentioned a clear list of these 18 revenue streams is not accessible and they contradict themselves throughout their own documents on their website and blog. With that being said, the sustainability of the protocol is dependent on the usage of the protocol itself. The more the protocol features are used, by individuals as well as the b2b solutions, the more fee's are generated which will be used to sustain itself financially. I would like to refer back to the daily active address chart, and then ask yourself, without substantial growth of users, how long is this protocol sustainable?



Score: 3

### 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:** [With a market cap of \\$173,058,157 USD and 24 hr trading volume at \\$7,119,438 USD](#) there are sufficient available tokens to enable active use and trade. The market depth for ORN calculated from the Binance order-book shows that sell limit orders average at 137.6 ORN and buy limit orders at 86.9 ORN, indicating higher sell pressure.

Calc= *SELL/BUY ORDERS ADDED TOGETHER DIVIDED BY NUMBER OF ORDERS*



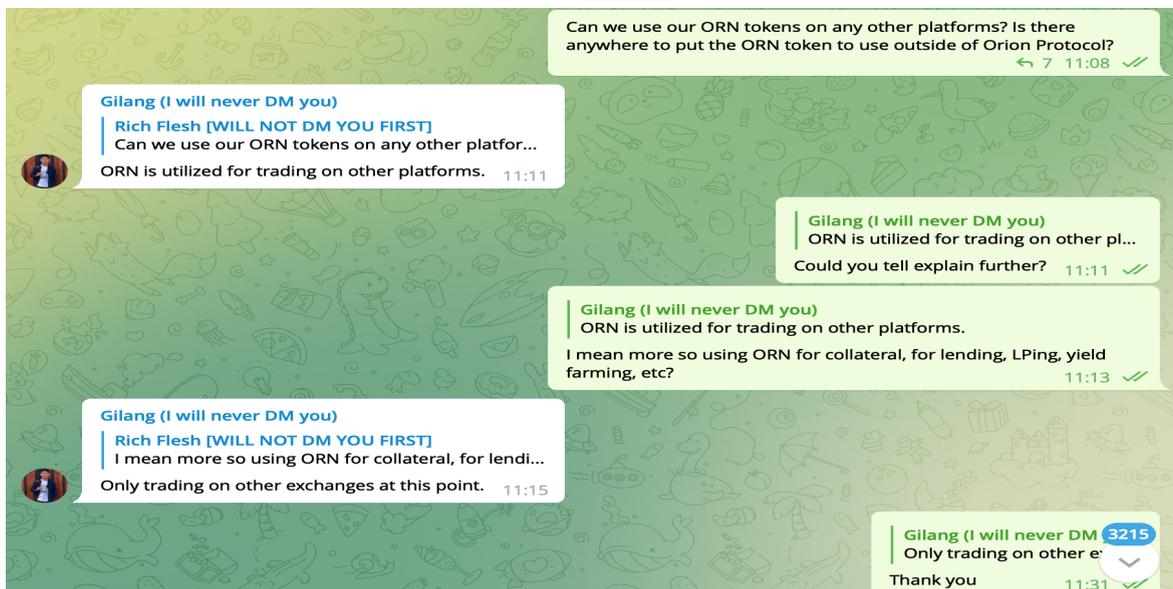
[The Orion Protocol seems to be spread pretty thin in terms of market depth across multiple exchanges.](#)

Score: 3

## 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:** Simply put, outside of providing liquidity on a DEX like UniSwap, the ORN token is not used extrinsically on other protocols, however plans to expand the utility of ORN to other protocols is not ruled out according to their Telegram Community Manager. See photo



Score: 2

## 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:** As for the core team, all have public profiles in their [about](#) section on the Orion Protocol

website, with 7/9 with valid LinkedIn profiles. The team has trackable experience in terms of blockchain development, front-end development, and marketing. See photo

<p><b>ALEXEY KOLOSKOV</b> CHIEF EXECUTIVE OFFICER</p>  <p><a href="#">in</a></p> <p>Alexey is a blockchain developer and the chief architect and creator of the Waves decentralised exchange (Waves' DEX). He has extensive experience in the development and management of complex banking software and in managing large scale IT projects. Over the past several years he has established a reputation as an active and expert participant within the blockchain development community. His work in blockchain development and exchange implementation provides ORION with unparalleled expertise and insight.</p> <p><a href="#">READ LESS</a></p>	<p><b>KAL ALI</b> CHIEF OPERATING OFFICER</p>  <p><a href="#">in</a></p> <p>Kal is a Founding Partner at Kanix and Blockchain strategic advisor/consultant for several projects including Holochain, Morpheus Network, and Quant Network. He specializes in partnerships and overall business development/structure, handling all of Orion's operational and administrative duties. Holding a finance degree from Rutgers Business School, Kal brings expertise in the traditional financial sector to the cutting edge Blockchain space.</p> <p><a href="#">READ LESS</a></p>	<p><b>TIMOTHEA HORWELL</b> CHIEF MARKETING OFFICER</p>  <p><a href="#">in</a></p> <p>Timothea Horwell is a commercially-driven marketing strategist with a focus on driving business growth and revenue. From developing business strategies for clients at a start-up incubator through to founding and leading a commercially successful Marketing &amp; Research division within Telefonica UK, one of the largest telecommunications companies in the world, Timothea is passionate about growing businesses in the tech space - from start-up to scale-up to global conglomerate.</p> <p><a href="#">READ LESS</a></p>
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An additional 4 team advisors are public with valid LinkedIn profiles for verification.

**Score: 10**

## 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:** Yes, Orion Protocol team members have relevant experience in blockchain development and web3 development. Some previous works the team have worked on are Waves' DEX, Holochain, Morpheus Network, and Quant Network. However with no Discord, and a relatively quiet Telegram chat, I would like to see more effort put into the community engagement, social media management, and official chat moderation side of things.

**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:** The team is adequately active in terms of updating and creating content for their [blog](#) however there is nothing to indicate that they are actively educating or participating in the public debate surrounding open finance.

Score: 0

## 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:** Orion Protocol has no shortage of partnerships, and is incorporating multiple blockchains to grow the Orion Protocol, to what extent these mechanisms will attract and coordinate resources is unknown. They were able to raise [\\$3.45 million USD for their DYCO](#) in July of 2020, however the team made up nearly all of the [first seed round](#) for a total of \$300,000 USD.

The Orion Protocol somewhat contradictingly takes pride in their amount of revenue streams for the protocol.

[What is one of the most important factors that all sustainable blockchain projects should focus on to be more attractive in the participants' eyes? What are the benefits of Orion Protocol in the future in the world of blockchain? | Gue Siapa](#)

**Alex:** We've paid close attention to our predecessors, and one of the main causes of failure is the lack of substantial revenue streams. That's why we've identified and are working on a number of products that will generate revenue in the near future. We're bringing in ten B2B and B2C revenue streams from day one, across our entire platform:

**ORION TRADING TERMINAL:** Percentage of trading fees, signals feed and App Store fees, fees for arbitrage access and premium trading features.

**ORION BROKER POOL:** Passive results on staked ORN tokens.

**ORION DEX KIT:** DEX kit licensing fee, percentage of trading fee from DEX.

**ORION LIQUIDITY BOOST PLUGIN:** OLBP licensing fee, percentage of trading fee from DEX.

**ORION ENTERPRISE TRADE:** OET licensing fee, percentage of transactions made through client.

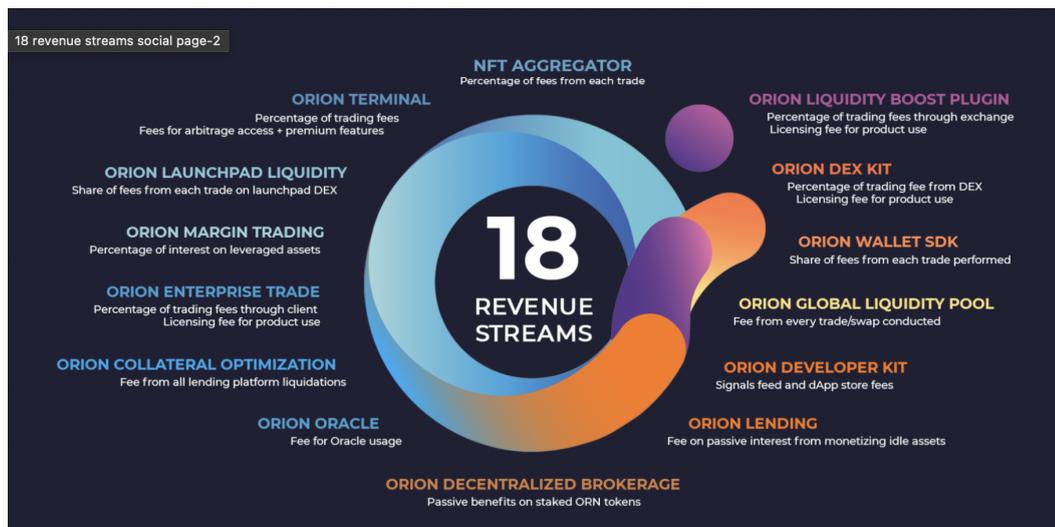
My concern here is that I have personally seen official posts from the Orion Protocol team stating 10, 13, 17, and 18 different revenue streams. I'd like to know which number is correct and have the entire list laid out in front of me rather than just taking their word for it.

10 revenue streams

[Can you list 5 killer features of Orion Protocol that makes it ahead of its competitors? | Joo](#)

**Alex:** Fully decentralized and non-custodial. Lowest trading fees and best price guaranteed. Cross chain (over a thousand token pairs, not just ERC20). Most profitable staking in DeFi. Ten revenue streams, one token with strong utility.

Here the claim is 18, yet only listing 14 of them on the infograph.



From their whitepaper, they claim 13.



## The Liquidity Aggregator Protocol

*Trade with the liquidity of the entire crypto market - in one place - without ever giving up your private keys.*

### **Abstract**

Built on the most advanced liquidity aggregator ever developed, Orion Protocol solves some of the largest issues in DeFi by aggregating the liquidity of the entire crypto market into one decentralized platform. Governing the protocol is the proprietary staking mechanism Delegated Proof of Broker, fulfilling every function via a decentralized brokerage with the supply-capped ORN token at its core. This underpins each industry-critical solution built on the protocol, from Orion Terminal to Orion Enterprise solutions for blockchains, exchanges, and crypto projects, with thirteen different revenue streams.

Here we see the 17 claim.

To some, this could sound too good to be true. The yield-farming industry, rife with rugpulls, has left many skeptical of 'unbelievable APYs'. Furthermore, some projects are able to offer high APYs due to the inflationary nature of most staking mechanisms, simply minting new tokens for rewards. Instead, Orion's staking rewards are generated from transactional fees across the protocol's seventeen revenue streams. Furthermore, ORN is supply-capped at 100m, with strategic efforts in place to remove tokens from circulation.

It's small inconsistencies like this that make me think twice about the teams ability to a.) tell the truth and b.) have the basic organizational skills to run such a complex protocol.

**Score: 6**

## 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.

### 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:** According to [Orion Protocol's github](#) all contracts have the ability to be upgraded, however minimal information is available to determine who has control of the admin keys. From my research from the Orion Protocol Github, I am left with very little confidence regarding the admin keys surrounding the protocol. After personally reaching out to multiple admins and moderators in their official Telegram chat, I was given zero information on the topic. All information I was able to find is below.

From [Defi Safety](#) (30-7-2021):

"a) All contracts are clearly [labelled](#) as upgradeable.

b) User is the onlyOwner of their [wallet](#) info.

No evidence of Pause Control or similar functions found in the Orion Protocol documentation."

From [Orion Protocol's github](#)

"Those contracts operate under the following rules:

- Only user can control their funds: no central authority, including orionprotocol matcher/aggregator engine can seize any assets owned by user if user doesn't participate in marginal trading.
- Any marginal trading is intended to be short-term, that is negative position is only available for the period of time long enough to withdraw funds from other liquidity pools.
- Any short-term loan are covered by collateral with substantial excess, to anticipate possible price fluctuations. Only widely trusted assets can be collateral.
- Liquidation mechanism is intended to be accessible to as much parties as possible to make liquidation fast. Liquidation speed and collateral excess ensure solvency of exchange contract during price fluctuations."

If you remember earlier in the tokeneconomics section, I touched on the 24% of ORN tokens

being allocated to the “Orion Foundation” The Orion Foundation is basically a reserve of ORN tokens used to supply the platform with the necessary tokens to run the multiple use-cases of the protocol, but also raises some concerns as 24% of the total supply is accessible to the Orion Protocol team, and with very minimal information about the “Orion Foundation” on their website or anywhere outside of their whitepaper for that matter, it is a bit concerning.

Further pushing Orion Protocol in the direction of centralization after the KuCoin hack, the Orion Protocol team updated its smart contract to render the \$8.5 million USD lost obsolete. See photo from [https://dyor-crypto.fandom.com/wiki/Orion\\_Protocol\\_\(ORN\)](https://dyor-crypto.fandom.com/wiki/Orion_Protocol_(ORN))

- When KuCoin got hacked (28-9-2020), Orion Protocol updated its smart contract to render \$8.5 million stolen tokens obsolete. This shows centralized powers.

Score: 2

## 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:** Very recently ([Dec 16th, 2021](#)) Orion Protocol announced the creation of their DAO, allowing ORN token holders the rights to decide upon and govern future proposals surrounding the Orion Protocol. As this transition to a DAO is fresh, the amount of information regarding the metrics surrounding the extent of governance is minimal. According to the announcement of the DAO creation, the first vote is the proposal to remove the bonus tokens from the DYCO sale from circulation. As this proposal, and the actual DAO for that matter, is so new, I understand some confusion around the semantics of the announcement. For example, in the photo below you see “Current tokens in circulation are eligible to vote.” and then in the bullet points below that is contradicted by “Vote using staked ORN and continue to accrue staking rewards while ‘in vote’.”

The first governance vote will be centered around the removal of the Bonus from circulation to reduce supply by 6,900,000 ORN - almost 7% of total supply. Current tokens in circulation (which almost entirely concern unlocked tokens from the private sale) are eligible to vote.

✔ **Vote FOR the removal of Bonus:**

6,900,000 ORN will be permanently destroyed at the end of the year.

✘ **Vote AGAINST removal of Bonus:**

6,900,000 ORN will be released into circulation over the course of 2 years.

- Anyone who holds ORN can vote (either BEP20 or ERC20)
- The vote will be in place for 14 days from December 17th - December 31st
- A voting dashboard will be live for voters to monitor votes over this period
- Vote using staked ORN and continue to accrue staking rewards while 'in vote'
- Once your tokens are 'in vote', your vote cannot be changed
- There are no terminal fees involved with voting
- Your ORN will be returned after voting
- Take part in the vote on [Orion Terminal](#) now

This makes the section harder to score, as we haven't even seen one vote finalized at this stage, and there are no more on the horizon for the DAO to vote on. Given the single vote that has taken place, the extent of governance capabilities could fall into the scoring category of "

4-7	Governance has some influence on operations
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" However, without more information as to what the DAO will be voting on in the future, I am not confident about giving a score outside of N/A.

**Score: 0/X**

### 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:** As the governance for the Orion Protocol is only a few days old at the time of the rating (dec 18th 2021) it is once again difficult to give an accurate and confident score, however their first vote has accumulated 1,675,115 ORN votes, accounting for 1.675% of the total supply (100 million) and 5.4% of circulating supply (~31 million).

**Score: 0/X**

### 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:** See previous governance section answers.

**Score:** 0/X

## 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:** See previous governance section answers.

**Score:** 0/X

# 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:** Short answer is no, as they take no responsibility for the loss of funds through any means on the Orion Protocol platform. From their disclaimer, page 4 of their [whitepaper](#)

*"THIS WHITE PAPER HAS NOT BEEN CREATED WITHIN A LEGAL OR REGULATORY FRAMEWORK FOR ANY JURISDICTION. PROSPECTIVE PURCHASERS OF ORION TOKENS ACCEPT ALL RISKS INVOLVED AND ARE RESPONSIBLE FOR ENSURING THEY MAINTAIN COMPLIANCE WITH ALL RELEVANT LEGISLATION IN THEIR OWN JURISDICTIONS."*

**Score:** 0

## **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:** [Per the white paper](#)

“Orion Protocol Ltd is the issuer of the ORN token. Orion Protocol Ltd is registered in Grand Cayman, Cayman Islands. This document is of informative nature only and may be subject to change if necessary. Last revision: Q2 2020”

**Score: 2**

## Scorecard

1. Value Proposition	Points
a) Novelty of the solution	6 / 15
b) Market fit/demand	6 / 15
c) Target Market Size	4 / 10
d) Competitiveness within market sector(s)	6 / 10
e) Integrations & Partnerships	11 / 15
<b>Total Points - Value Proposition</b>	<b>33 / 65</b>
2. Tokenomics	Points
a) Is the token sufficiently distributed?	6 / 15
b) What is the extent of the token's capabilities?	4 / 10
c) Is the issuance model able to improve the coordination of the protocol?	3 / 10
d) Is the value capture model able to accrue and distribute value?	3 / 10
e) Is the token sufficiently liquid to enable active use and trade?	3 / 5
f) Are there any extrinsic productivity use cases?	2 / 10
<b>Total Points - Tokenomics</b>	<b>24 / 60</b>
3. Team	Points
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	10 / 15
b) Does the team have relevant experience?	9 / 10
c) Does the team participate and help shape the public debate?	0 / 5
d) Is the team able to effectively attract and coordinate resources?	6 / 10
<b>Total Points - Team</b>	<b>25 / 40</b>
4. Governance	Points
a) Admin Keys	2 / 20
b) Extent of Governance capabilities	0/X / 15
c) Active Governance contributors	0/X / 5
d) Governance infrastructure	0/X / 10
e) Robustness of Governance process	0/X / 10
<b>Total Points - Governance</b>	<b>0/X / 60</b>

<b>5. Regulatory</b>	<b>Points</b>
a) Does the protocol have any legal accountability?	<b>0 / 15</b>
b) What is the quality of the legal jurisdiction?	<b>2 / 10</b>
<b>Total Points - Regulatory</b>	<b>2 / 25</b>
<b>Total</b>	<b>83 / 250</b>

**Author: Capo67**