



What is CockDrop and why will it revolutionize DeFi?

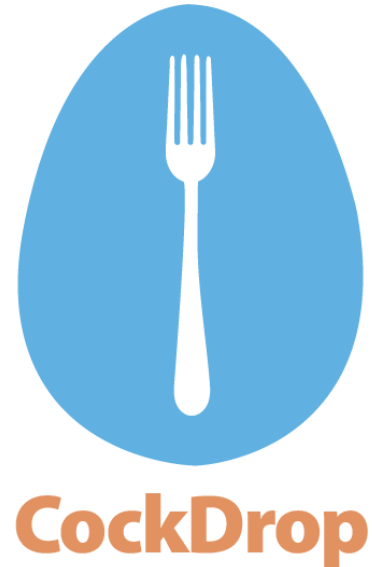
Launching a token project on Ethereum, or an EVM Network like Binance Smart Chain (BSC), Avalanche or Matic is fraught with potential “startup” problems. We’ve seen many of these play out as DeFi has evolved, and we’ve noticed some key issues.

They relate directly to the primary ways tokens are launched:

1. Presale
2. Fair Launch
3. Airdrop
4. Forks

Each of these launch methods have their pros and cons, but none are truly great. And depending on the market sentiment on a particular day, or sometimes just “bad luck”, the issues with them could mean the difference between success and failure – long before “the roadmap” even begins.

What CockDrop will do is provide a new, innovative alternative to these four launch methods, providing a platform for token launches that will lead to a more successful launch for new projects.



What are the issues with the current methods?

Before we tell you what CockDrop *does*, we want to be clear about the problems with *the existing methods*. You may be aware of more than what is here, but we’ve attempted to summarize each method’s issues in a concise way.

There are three common issues with each method that can be categorized as follows, and which we look at below for each method:

1. Whales
2. Bots
3. Pumpers and dumpers



1. Presale

Presales, in theory, sound like a great idea. People who are interested invest their funds in your project in advance of the public market opening. It's very similar to an IPO for shares in how it is executed.

When the market opens, tokenholders are able to buy and sell their tokens fairly on a trading platform like PancakeSwap (or Uniswap, 1inch, etc.).

Whales. Often times the large holders (or "whales") will dominate a sale. Platforms that offer presales often restrict maximum investments per wallet to reduce this. A determined "whale", however, simply uses multiple wallets to dominate an offering.

Bots. When a presale is announced, it often comes with a countdown clock. People have time to program bots to precisely purchase at the launch of the presale, often from multiple accounts, thus dominating presales. It's not uncommon to hear about presales that are sold out in fractions of a second.

Pumpers and dumpers. Popular projects, especially ones where people missed out on the presale, will attract many new investors ready to invest upon the launch of the market, after the presale is completed. This can often drive the price up very quickly upon launch, and eventually the price will come back down to a more reasonable price once the initial rush is over. For post-launch buyers, this can result in overpaying dramatically for a new offering, leading to unhappy tokenholders who may be waiting a long time to ever see the value exceed what they paid. It has also created a perverse incentive for people to buy projects (or overbuy projects) during a presale with the intent to "dump" on the market as soon as the launch occurs – making a *quick buck*. The level of volatility all these incentives have created can potentially sink a project, but in any case lead to a lot of unhappiness (or, in the parlance, "FUD"). Perhaps your brilliant token idea goes to near zero in less than an hour simply because the dumpers outnumber the pumpers – this is hardly a way to launch a serious project!



2. Fair Launch

The concept of Fair Launch will typically involve the team behind the launch putting up an amount of funds of their own to launch a liquidity pool directly on the market, thus setting a starting price for the project that allows everyone standing by to join to participate in “fairly”. It seems like a great method, and has had some very notable successes (like SafeMoon and Shiba Inu), but it also has its own unique issues – most notable of which is that there are no funds generated for the project itself. The “team” that fair launches has to either carve out their own tokens in advance of the launch, participate in the fair launch itself (which costs more funds, and is risky), and are often left with no funds to execute on the rest of their project roadmap – unless they’ve put those aside in advance. In an extreme case, a project execution team could end up with very few tokens in their own fair launch project, and thus no incentive to continue to developing it at all.

Whales. Whales love fair launches. In the early days of DeFi the contract address would be shared well in advance, and whales would have plenty of time to get ready to load up on a huge portion of the offering very early. Now most fair launches do not announce the contract address immediately, but that hasn’t stopped the whales standing by with huge wallets ready to buy (and, later, often sell off in a huge way for a quick profit).

Bots. Bots are the biggest problem in this space. Even if you do not announce your contract address, there are bots that “sniff” new liquidity pools being created and buy small portions of each immediately upon launch. If they notice price change trends occurring, they buy more and accumulate significant portions very quickly. This creates whales, but worse – “bot whales” – who can do a massive selloff at any time, potentially sinking the project and, in many cases, draining the entire liquidity pool in the process.

Pumpers and dumpers. New projects attract many people, but less and less because they are doing anything *interesting or innovative*. Rather, because the frantic nature of the DeFi space has created an entire class of investors who just go from token to token looking for a “quick flip” before a project just sort of dies days (or sometimes hours) after the launch. The DeFi graveyard is vast and wide, filled with these projects.



3. Airdrop

An airdrop is sending a number of “free” tokens to those who sign up, or otherwise qualify in some other way to receive them. The biggest issue is that there is rarely much “commitment” or even remote understanding of the project being airdropped. There are armies of people from around the world who simply sign up for every airdrop, hoping one will go big and they can flip it for a quick dollar.

Whales. Thankfully, this is less of an issue with Airdrops, depending on what basis people receive the free tokens. If it’s structured well, this can be less of an issue than the first two launch methods.

Bots. Bots are still an issue, as people can set up multiple accounts in multiple places with multiple fake credentials to sign up for an airdrop not as one person, but perhaps as a hundreds (and potentially become whales in the process).

Pumpers and dumpers. This is a massive issue. If your airdrop recipients see the project is worth something, they have a massive incentive to cash out right away. *They got money for free!* Serious investors in your project are hurt by this. We have seen projects where they airdrop periodically, post-launch, in smaller numbers. This helps a little, but ultimately points back to the main issue – a lack of interest and commitment in the project and a pure incentive to make a quick dollar.

4. Forks

Forks have been around in crypto since the early days. Essentially you replicate all the holders of one token for your new token, and instantly you have a large base of holders on day one. Lucky you!

In this sense a fork is sort of like an airdrop, except people didn’t need to sign up for it. In addition to all the other problems of all the other methods, forks also have a few unique ones which I’ll add to the end of the list.

Whales. If there were whales in the original project, there will be whales in the new one.

Bots. Forks reduce this as a major issue compared to the other methods.

Pumpers and dumpers. You’ve just given your token to a bunch of people who may not even know you exist. When they discover it does exist, and they discover it’s worth something, they may just want to dump it and *count their lucky stars*. This is a huge problem with forks.

Dust holders. Many projects, especially in DeFi with fancy tokenomics at work, have holders with tiny fractional holdings that are left over after selling their position. Often times this fractional holding (or “dusto”) will be worth well under 1 cent, and is likely to remain that way forever. Forks replicate these holders, too. Why? What a waste of bits!

Inequity. Just because somebody had a 1% position in the original token, does that somehow make them so special that they should have a 1% position in your new one? Why? Forks sort of *reward the rich*, and for no good reason, really.



What is CockDrop?

Put simply, CockDrop is a new, innovative approach for project launches that uses the best ideas from the methods outlined above, and resolves some of the common problems.

We will be launching a DeFi swap platform called **CockSwap.finance** with a number of standard features and a few other new and innovative ones as well.

Our first new utility is CockDrop, and is described below.

Initially, CockDrop and CockSwap.finance will work with the BSC network, but additional EVM networks will be added over time.

CockDrop is a Smart Fork and a Smart Airdrop

When you are ready to launch your new token project, you can use the CockDrop platform to curate a tokenholder list from an existing project.

This is done by creating a database of existing holders of an existing token, then having individual users opt-in to participate in the CockDrop.

There are two versions of CockDrop being developed – **ListDrop** and **TokenDrop** – each has their own usage cases.

In the ListDrop version, you create a list of tokenholders to download upon completion of the campaign that you will then integrate with your new token contract for distribution of new tokens to recipient wallets upon execution. This method will result in higher transaction fees when the new token contract is executed, but it will fairly distribute all the tokens to the walletholders at one time, allowing for a well-coordinated launch. For new projects forking other projects, this will likely be the ideal CockDrop version to use.

In the TokenDrop version, you specify the contract address of your new contract as well. In addition to curating the fork with the criteria you indicated, the smart contract will also automatically transfer the tokens to the new holder when they sign to indicate participation. In this situation, all tokens are pre-minted in the wallet you execute the contract with, and the transfer is executed automatically. The token recipient also pays the transaction fee for the transfer, so it is lower fees to the project. For projects forking their own projects (i.e. companion tokens), where there is some trust level built in the existing community, this will likely be the ideal CockDrop version to use.



How It Works

The Development Phase

First, you sign in with MetaMask on the CockDrop page on CockSwap.finance.

Next, you select the variables for your CockDrop:

1. The CockDrop type – ListDrop or TokenDrop
2. The contract address of the token you are basing your CockDrop upon (or “forking”, smartly).
 - a. For TokenDrop contracts, you must include the contract address for your new token (and have them in the wallet you are using to connect to CockDrop with).
3. The snapshot date and time for your fork (now or in the future)
 - a. You can select a future date, if you wish to encourage new tokenholders or increased value of existing tokenholders in the legacy project before the deadline.
4. The minimum and maximum holdings to qualify a wallet to be included
 - a. If there are whales, you can chose to assign them nothing with your CockDrop.
 - b. If there are dustholders, you can eliminate them too.
 - c. If you are forking your own token, you can reward holders that have a certain minimum holding, as an incentive for them to purchase more in your existing project.
5. The formula for issuing new holdings
 - a. A specified amount for every qualified holder that participates, or
 - b. A formula based on their holding in the original token (i.e. 2x or 50% of the original number of tokens)
6. The claim deadline date and time

The Claim Phase

Prior to the claim deadline date (item 6 above), tokenholders of the original token that qualified based on your criteria may now go to CockDrop and “claim” their holdings using their own MetaMask integration.

For ListDrop, they will simply indicate their interest in receiving the new token. In the TokenDrop version, they will be able to claim their new tokens when they pay the transaction fee.

The Post-Claim Phase

For ListDrop, after the claim deadline date and time have passed, you will return to CockSwap and retrieve your curated list of tokenholders, their allocated holding, and integrate that into your token contract prior to execution.

For TokenDrop, once the contract has expired you will want to decide what to do with the extra tokens (i.e. sending them to a burn wallet).



How is CockDrop Better than Other Methods

Let's look at our list of issues from above and examine each one.

Whales. If there were whales in the original project, you can eliminate them tactfully by reducing the amount they receive, or simply allocating nothing to them. Nobody wants whales, so why drag them into your new project?

Bots. No bots manipulate this process.

Pumpers and dumpers. This should be drastically reduced as the holders will be people who (a) have a history of investing and holding, (b) "wanted" your new token and had to indicate so by participating, and (c) the lack of whales and bots will provide new tokenholders a deeper level of assurance.

Dust holders. Clean up the dust with DropCock. Dust holders were sellers. You don't need to waste your time on them!

Inequity. You decide on what's appropriate. By indicating a maximum distribution, you can still reward larger holders, but set an upper limit on how much they can have in your new project. You can even reward everyone with the same amount. It's up to you – align all the incentives your way.

We believe CockDrop will revolutionize the way tokens are launched in the years ahead.

We are planning release in Q4 2021.