



REPORT ON THE ANYPAY PROPOSAL
for
The voting period ending on xx/xx/18

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Basic information on the proposal

Name: Anypay

Full Proposal Name: ANYPAY_JUNE_2018

Category: Integration

Owner: Anypay

Initial / Renewal: Renewal

Amount: 219 Dash (\$39K USD)

Team Members: Steven Zeiler, Derrick Freeman, Brandon Bryant

Proposal Link: https://www.dashcentral.org/p/ANYPAY_JUNE_2018

Proposal Summary:

- A point of sale ('POS') technology that allows the use of virtual currencies as a form of payment.
- Rewards are provided when using DASH through the platform.
- The creation of a 'Dash Village', where every merchant takes Dash.
- Global expansion of Anypay.

About the business

Summary

Anypay is a digital cash register for businesses founded in 2017. It accepts multiple forms of digital currency within the same POS platform. It allows for instant payments with no fees, no contracts, and no paperwork. It is administered from New Hampshire and primarily serves local, independent merchants.

We were unable to verify whether Anypay is simply a project, or whether it is a formal business enterprise. Nothing has been mentioned about Dash owning equity, nor is there any evidence of a business continuity plan.

The following were not provided as part of the proposal, and could not be identified through regular due diligence:

- Formal business arrangement;
- Size of the business;
- Licenses;
- Previous work or projects; and
- Independent reviews.

It is the first time for the Anypay project submission and the first time Anypay is submitting as an owner. The current proposal being evaluated is a renewal. Anypay had one proposal funded in May, it covered three cycles for a total of 657 Dash.

About the team

Summary

Anypay's team is suitable for the current stage of this project but unsuitable for exponential growth. Resumes, biographies or links could not be located for anyone on the Anypay team within the proposal. The individual filing the proposal provides more information regarding references and referrals, rather than discussing themselves and their capabilities.

Steven Zeiler - CEO, Anypay

Twitter description - "Co-founder, CEO at Anypay. Technologist, polyglot and passionate software architect, always open to opportunities to increase freedom."

Quote extracted from a Dash News article Aug 2017 - "Building software energizes and excites me as words I type become productive machines that affect the real world. I started learning to code as a teenager and began working professionally as a ruby-focused web developer when I was twenty one. Since then I have built software for several small and large software businesses, including Cars.com, SoundTracking, and Ripple. At Ripple I led an engineering team that developed the company's first peer-to-peer banking software application. For applications I use primarily Node.js, as well as Docker & Chef for infrastructure automation. I am also using the BlockCypher Dash API's."

Steven is the co-founder of the Free State Bitcoin Shoppe. He attended UT, Austin however it appears he did not graduate. Based on information obtained from his LinkedIn page, it appears that he transitioned from project to project every few months from 2011-2013. There was limited information to be found in regards to his two year career at Ripple. There are also mixed reviews regarding his personal character, which can be located [HERE](#).

Steven's work at Ripple could justify a certain amount of capabilities, however not enough is known about his accomplishments there. When Steven spoke on the 3 Amigos podcast he displayed a deep level of cryptocurrency understanding, specifically relating to what he had learned whilst working at Ripple. Additionally, he spoke about how he used that knowledge when creating Anypay, in order to better facilitate transactions. Steven claims to be the CEO of Anypay which implies a formal business structure, however no evidence could be found to support such a structure.

stevenzeiler.com is not a functioning website.

Derrick Freeman - Co-Founder and Director of Business Development, Anypay

Information obtained from www.thederrickj.com/about indicates that Derrick is a peace activist, podcaster, and video producer living in Keene, NH, the 'Libertarian Media Capital of the World'. Derrick is a regular host of terrestrial radio shows such

as Free Talk Live and Freedom Feens. He also performs on live internet radio vodcasts including Peace News, Bitcoin Talk Show, Sick Sad World, and The Bitcoin Group. In 2012, he produced a documentary titled "Victimless Crime Spree", which chronicles his journey as he attempts to break free of his government chains. The fact that Derrick Freeman was incarcerated for 60 days in association with Victimless Crime Spree could be viewed as a red flag.

Derrick is the other co-founder of the Free State Bitcoin Shoppe.

Limited information has been provided on his LinkedIn page.

Brandon Bryant - Software Developer, Anypay

Brandon has been with Anypay since May 2018. Since 2013, he was a software developer at three other companies. He obtained his Masters of Analytics, Data Science from the University of New Hampshire.

Conflicts of Interest

It appears that there is no separation of team members between the Anypay and Free State Bitcoin Shop, which obviously markets Bitcoins. A conflict of interest may arise if it were discovered that funds from Dash were used to support the Free State Bitcoin Shoppe in a way that falls outside of the scope of the proposed hypotheses. Further information as to the team members' association with the Free State Bitcoin Shoppe and how funds will be separated from routine business activities should be provided.

Bitcoin images and videos posted by members of the team outweigh Dash. This may not be a negative thing unless Dash funds are used inappropriately to market other coins.

Community Ties

The proposal owner has included quotes from Stillcantstop aka solarguy, DarrenSTapp Dash core contributor, qwizzie, and TaoOfSatoshi. Some of these quotes imply which way a MNO is voting. If any of these quotes are inaccurate, please notify accordingly.

Application of funds

Summary

We recommend that Anypay re-evaluate the proposal. The proposed application of funds are allocated over different topics, suggesting that the price could be inflated and/or that Anypay is trying to take on too much.

Application of Funds

The application of funds are spread across the following:

- To take Anypay global and add languages;
- Global expansion was then refined to Venezuela, Colombia, Ghana, Canada, Germany, etc.;
- Publishing a quality Dash POS system application for mobile devices;
- Incentives to spend and accept Dash via the Dash-back program;
- The Merchant Adoption Bounty Program;
- A free Ipad with Anypay POSe will be being given to high value merchants;
- Creation of a Dash Village; and
- The hiring of six additional team members.

Strategic value

The Merchant Adoption Bounty program focuses on providing the tools for additional Dash transactions. The Dash-back program is essentially a giveaway program. Through these two programs, Anypay aims to increase Dash transactions, thus benefiting Dash. The creation of a Dash Village and global expansion sound like strong value propositions, however if they cannot be delivered then it could compromise the other hypotheses. These strategies are further detailed below in 'Strategy, milestones & delivery'.

Anypay was operational before they submitted their first proposal. No information could be found regarding what fee they charge to use its POS or could charge merchants, nor what form of payment they would accept.

How KPI will be tracked

This will be done by monitoring their Dash-back program. It is essentially the only KPI they will provide, which will show Daily Average, Monthly Average, Median, etc. The proposal does not outline when data would be made available after funding. There is also no plan to handle unanticipated outcomes that could be revealed in the KPI. Further, there is no information in the proposal that could help appreciate Dash, or be a source of transaction fees from either remittance or POS.

Achieving results

Anypay plans to integrate with Discover Dash to vet businesses. The more vetted a business becomes, the more Dash-back they receive. This area should be further developed in order to prevent the merchants from defrauding the system. Currently, the suggested recourse is to ban merchants, however banning does not assist Dash to grow.

There is no information regarding how Anypay intend to leverage the existing merchant's network in order to attract new merchants. Nor do they do not mention any other resources that they could draw upon to expand further.

It is evident that Anypay can be self-sustaining, given as it was created and functioning prior to its initial proposal.

Anypay is not exclusive to Dash. It offers many other coins and that can be ok because it offers consumers flexibility in choosing payment methods. It is possible that the other virtual currencies did not pay to be on Anypay's platform. However, how Anypay would market Dash as the primary choice aside from the bounty was not described, and should be.

There are no other current proposals that are similar enough to compare Anypay to, that could help make a case for achieving results.

Other proposals

A past proposal, DashPay ('Spark'), which was once delayed/abandoned due to a split in the team members, was funded back when Dash was ~\$10. The total was \$1600 USD for front and back end developers, servers, and testing hardware. A functioning product was not delivered and the overall failure of this project could likely be attributed to it being underfunded.

Spark was revived and delivered both a web app and mobile apps. It was funded with 15 Dash (~\$2800) from Dash Boost. Spark POS currently supports 94 currencies and was translated into 8 languages by the help of Dash community members.

There are no numbers for Spark usage to compare to Anypay, however Spark rebounded from an adverse situation. Spark completed mobile apps and delivered them in multiple languages. These are two things that Anypay notes as hypotheses, and the mobile app is one which they are noting as having difficulties with. If Spark can get it done under pressure, then Anypay should also be able to in its current state, which appears to be under less pressure.

Another past proposal is Dash Text. It is working with merchants in Venezuela and their price breakdown showed the software development price as \$1,600, with monthly Salaries totalling \$2350. Anypay says that half of the \$39,000 USD they are asking for will go towards operations, support, and management staff (salaries). This is significantly higher than both Spark and Dash Text, and makes us question how the budget was computed, especially since Anypay is already functioning, avoiding start-up costs.

Proposal price

Summary

We are not convinced by the price breakdown. The proposal lacks verification of claims while trying to justify a higher proposal price. The application of funds included are not congruent throughout the proposal.

Breakdown

109 Dash Operations, support, and management staff

110 Dash Incentives that create the Dash Village (Dash-back and Merchant Support)

Anypay state "in short 50% of the funds go directly to Dash merchants and consumers when they shop with Dash, and the other half goes to design, engineering, support, operations of our most successful Dash merchant platform." Further clarification is required on why the last claim was made, whether Anypay offers other platforms, and whether Anypay is comparing itself to other POS platforms. In an attempt to validate how the costs were arrived at, the only expense specifically listed was that Anypay will distribute at least \$10,000 in Dash-back per month. However recall that there was an error in Anypay's reporting of the amount of past giveaways.

Anypay advised that they will report unused Dash, however nothing is mentioned in regards to how they would handle Dash price appreciation or depreciation.

Funding

The original funding for Anypay was made outside of Dash, however the source of the funding is unknown. No information was provided to indicate whether the original source is still contributing, or whether it could be tapped back into if required.

Anypay will need to continuously fund support for its software. It is possible that this proposal could be funding something that has not been disclosed, and this suggestion is drawn from the lack of accounting and tracking of expenditures. The proposal implies that funding will be used to add different languages to Anypay. Dash should not bear the sole responsibility of this cost as other virtual currencies could benefit, and it should be shown where other funds are coming from to support the other portion of that work.

Paid vs delivered

Anypay has been compensated \$167,000 USD and they claim the Dash-back program has had the most significant impact. However, the transaction volume in USD does not show stable growth. A question that should be asked is what would happen to the associated Dash transaction when the Dash-back program ends?

We believe Dash transactions will ultimately reduce down to the hard core users and the amount paid for these proposals will only be able to show a spike in usage during the proposal periods. If there were a plan to keep usage up after the Dash-back program, then it would be possible to say that this strategy is likely to benefit Dash. However, since there is no such plan, we believe the opposite.

Misalignments

It is possible that the proposal is trying to justify a higher proposal price whilst other coins may not be carrying their own weight.

When discussing operations Anypay said "Currently we have the whole operation and all the servers and everything that needs to be maintained, expanded, and made better and better. That person is really expensive. These numbers are low. We need these numbers to be higher." This is confusing and there is no factual information

showing how the numbers are low nor why they need to be higher. What we draw from this is that Anypay does not have a sound operational setup and is not being accurate with its accounting. When this happens, proposal prices become a guess rather than a quantifiable estimate.

The proposal owner justifies the price by claiming a significant positive impact of Dash-back. There is usage but the report from Dash Watch shows transaction volume in USD that is unstable.

In the summary of what the funds are going to be used for, it also does not mention how Anypay will expand globally. Being that the hypotheses of global expansion is mentioned off and on, and is included in budget scope and then not included in budget scope, we draw the conclusion that the proposal owners could be trying to do too much with Anypay, thus increasing the likelihood of failure.

Contradiction

In one section, the proposal claims that Anypay want to increase Dash-back to 50% of the budget, yet in another area it states that Dash-back is a small fraction of the proposal and that a "main chunk" of funding will be going to the global merchant platform. This continues to make us question Anypay's accounting and budgeting methods.

Macro environment

Summary

Anypay is not large enough to compete with traditional POS companies and the low friction transaction services they provide.

Industry

The proposal is primarily involved in the POS industry. When entering a space, it is important to look towards the large, successful players to learn what could work and what could lead to failure. It is not known if Anypay researched the macro environment and they did not discuss the competition.

Competition

QR.CR is a POS exclusive to Dash. The one difference Anypay stresses is a diverse offering of coins that will appeal to certain merchants who want their customers to have flexibility when choosing a payment method. However, Anypay should have a plan to retain its merchants and consumers.

Anypay faces tough competition when compared to traditional POS technology implementation. Others who could be viewed as competition are Coinify, Spark, Dash Text, and possibly Reload. Anyone in the Dash community with an executive level

connection to Verifone, DC POS, Square, or Bitpay should contact them to see what their plans are for incorporating Dash, and if they require any help.

One of the major players in the industry is Verifone, which operates in 150 countries and has a revenue of \$1.8 billion. Their scalable framework creates a simple transaction process that has grown to 7.6 billion transactions a year. Verifone recently certified Graft which plans to enable virtual currencies. More about POS can be found [HERE](#).

Anypay could continue to see isolated areas of success in local micro economies. On the other hand, Adversely for Anypay, at any moment, a company such as Verifone could turn on its functionality at any moment, and existing merchants using Verifone's services would immediately be able to pay with virtual currencies. This would eliminate the need for Anypay.

Market validation and product market fit

Summary

Anypay's market validation could not be viewed as extensive, and therefore it is unlikely that Dash usage will incrementally increase.

Geographical

The locations the proposal will have an effect on is primarily New Hampshire, where it already operates. Anypay suggests that it's platform is good for their community of small retailers. However, nothing concrete could be found to back that up.

The proposal has a claim of expanding globally and we see that unlikely to happen for the following reasons:

- Lack of information and strategy;
- Current 'mom and pop' merchant focus;
- Lack of global business experience; and
- Lack of global network.

The end user

Anypay is for merchants who want to offer their consumers payment method flexibility.

In regards to market validation, they say "We speak with merchants and customers all the time. In general merchants prefer any crypto that the customers want to pay with. Customers on the other hand use Dash about 75-80% of the time, and Bitcoin, Bitcoin Cash, Litecoin the remainder."

However, it was not noted where Anypay formulated the claim from. Looking at the KPI report from Dash Watch, it could be referring to the similar percentage of

transaction volumes in Dash. However in August, the percentage of Dash fell to 50%, which it makes us query why it was drastically lower than the other months, and whether the claims are exaggerated.

Market fit

Currently, access to Anypay is cumbersome, as is claimed by the Anypay team in a video.

The proposal has a strategy to bring Anypay to app stores, which could certainly smoothen the onboarding process. However, Anypay notes that they are having difficulties in developing a product for the app stores.

Anypay did not define a problem, nor the need to solve one. Therefore, to help ensure that results will be achieved, it would be beneficial to see Anypay obtain Letters of Intent from merchants or a small chain of merchants, and provide evidence that it is not involved in with any large corporations, institutions, or government bodies.

Strategy, milestones & delivery

Summary

With respect to the few strategies that have implementation descriptions, we cannot say they are strong enough to add value.

Implementation strategy

This is said to be done through the Dash-back program and the giving away of preloaded devices, with an eventual application through app stores.

The other strategies mentioned, which lack sufficient detail for us to regard them as feasible are:

- Global expansion;
- Additional languages; Creation of a Dash Village; and
 - “Bitcoin Village is converted into Dash Village”
- The hiring of six additional team members.

Milestones

There was no timeline or roadmap found in the proposal and we look at this negatively for the hypotheses claimed. Anypay has provided Dash Watch with expected deliveries, however a roadmap should be provided in the proposal so that it can be evaluated during the voting period.

The proposal also states that Anypay will provide metrics and financials every month, but no examples were given.

Clarification

Getting a car dealership to accept Dash is a milestone. That was not found in prior proposals, nor was anything found regarding facilitating the dealership's first car purchase with Dash. This is not necessarily a negative thing. However, if the funding from Dash for use in business strategies were compromised to buy a car for the benefit of the proposal owners, this could be a conflict of interest. In a video on Instagram, it appears that Derrick purchased the car. Accordingly, more data on the parties involved, beneficiaries, and the sources of funds should be provided.

Delivery

'Mom and pop' stores tend not to have the tough vendor approval process like chains do, and the 50+ merchants they currently claim as active may be the extent of their reach. It would be preferable to see a matrix that indicates how they qualify new merchants for receiving a new preloaded device.

It is impressive to see that Anypay has terminals in businesses where traditional money moves easily. However, we do not want to mislead as there is a difference between Anypay usage and Dash usage through Anypay.

Prior proposal and projects

During Anypay's active proposal period, they reported KPI data on merchant usage to Dash Watch.

- Positive - It was reported that Dash was more than half the USD transaction volume.
- Neutral - Further explanation on the variance from month to month of actual Dash volume should be provided. Convincing an auto retailer to accept Dash is one thing how Anypay will assist that retailer in getting consumers to routinely pay with Dash is another. Doing so will require more work than just leaving the dealer with an incentive program.
- Negative - Anypay inaccurately reported Dash-back numbers. It was found that Anypay actually gave away half the amount of Dash that they had claimed to.

Complexity

Summary

There are technical complexities that pose a risk of failure, which are primarily associated with app development and technology adoption. Reporting the amount of Dash given away should be straightforward, however Anypay incorrectly reported the outlays from the Dash-back program.

Technical

Complexity was discovered when Anypay noted that they were dealing with a DNS issue in the Android Wallet and they mentioned it has caused far too many problems.

The steps required and the difficulty associated with the required repairs could lead to failure. Anypay also runs the risk of having their applications rejected by the app stores.

Currently merchants wanting to use Anypay cannot obtain it from an app store. For a merchant attempting to use Anypay for the first time, they must begin by browsing for Anypay and then sharing it with a mobile device's home screen. They must then download and create an account. For the consumer, he or she must first have a Dash wallet and then load it with Dash. Two video examples were found reflecting this:

- A shop owner has to use a calculator for the discount, then manually push the transaction, and then produce a paper receipt.
 - Compared to a platform like Apple Pay, Anypay seems to require more steps by the merchant and by the consumer.
 - It is our opinion that a platform with more steps will be chosen less often when placed against the competition.
- Anypay acknowledged that setting it up as a merchant is "already too involved."
 - To help with this problem, Anypay is providing free hardware with its POS preloaded.
 - This giveaway cannot go on forever and there was no mention of an evolution of this plan.

Anypay have advised that they will be able to integrate with the Evolution platform, which is coming to Dash, and bring it to more merchants faster than anyone else. Exactly how they would do this was not defined.

Errors and omissions

Inaccurate reporting due to the team not being able to separate what is clearly related to Dash and what is being used for the other hypotheses shows that not enough work is being done to be accountable. An example of this was discovered by Dash Watch, which found that they claimed to have given away half as much Dash as they claimed.

The proposal owner claims Dash is better than other cryptocurrencies for its usefulness as an everyday currency, without backing it up with factual data. It is a compliment to Dash, but without evidence, it could mean the proposal owner may not know why Dash is better and could be looking for easy votes.

Anypay respectfully declined to share details of their expenditures with Dash Watch, other than the Dash-back payouts to merchants and users. This response builds more evidence that Anypay is not running a sound operation and that they are not being diligent with their accounting. Because of this, it is possible the proposal has a lot of excess room that they are trying to avoid showing.

Risks

Summary

There is reputational risk if Anypay does not deliver on its strategies. Anypay, in its current state, may fall under regulatory scrutiny and procedural requirements.

Security

No information could be found regarding the security measures Anypay has in place to protect virtual currencies, merchants, or consumers from theft or loss. As for merchants trying to defraud the system to get free Dash, Anypay advised that they will permanently ban their account from using Anypay. As mentioned previously, both fraud and banning merchants are contrary to helping Dash grow. Anypay should show that they have created a system which would help prevent fraud from occurring.

When we attempted to access the Dash-back website, dashback.ai, it was found to be insecure. This, coupled with a lack of security measures, suggests that there are security vulnerabilities associated with Anypay.

Reputation

If merchants are banned and Ipads are reclaimed, it could leave those affected with a negative opinion of Dash and those associated with it. A random call by Dash Watch to Anypay's help number during routine business hours was not answered and this could have a similar negative effect.

The team appears to be taking on too much with the Dash Village and Global expansion hypotheses, and the likely failure of achieving these could again have a similar negative effect.

The DAO does not have any recourse if risk factors prevent delivery or if the project begins to fail.

Regulatory Environment

It may be difficult for this proposal to avoid regulations. Global expansion is a bold task and some countries may require conforming to local laws, which can be highly complex and labor intensive to learn.

Anypay supports fiat currencies and allows users to pay with cryptocurrencies. If there is a swap going on, there is a high probability that Anypay would be viewed as an exchange. The proposal should address this risk, and whether a money transmitter license needs to be obtained.

A comment asks for VEF/DASH rates and Anypay answered that VEF will be the next currency they prioritize, which is leading to imply a swap is capable. There could be a state law that says they need a license for payment processing. There should be

a formal business license and proof of incorporation being that they are a US based income generation entity. KYC AML may need to be performed if fiat money is accepted through Anypay.

Conclusion

Overall we conclude that this proposal is **unlikely** to benefit Dash for the following reasons:

- Lack of a security plan and potential security vulnerabilities;
- Competition coming from a traditional point of sale company, like Verifone, who could, through its partnership with Graft, offer cryptocurrency payment methods;
- Questionable budget creation methods and inaccurate reporting;
- Difficulties getting merchants to use Anypay without giving them a free Ipad; and
- Lack of detail and strategy needed to expand globally.

We suggest that Anypay resubmit in the next cycle and clearly identify Dash associated line items vs the other operating expenses pulled from a most recent statement, then, off that statement, cite and provide a detailed accurate budget.

It is also suggested that Anypay Address security competition concerns, develop a plan to evolve from giving away free I pads and change the global expansion focus to growing in the surrounding areas outside of New Hampshire. A Global element can still be a component by offering other languages and partnering with those already marketing Dash POS in other countries. Finally, it is suggested that Anypay separate the "Dash Village" and consider it to be a possible future proposal.