

ICO Update: Enigma Catalyst (ENG)

A Data-Driven Crypto Investment Platform

September 5, 2017

enigma

The hacking incident

Enigma Token Offering Eclipsed By Hacking Incident

Enigma's Slack channel, website, and mailing lists fell victim to a scammer.



By Jeremy Nation
August 21, 2017 | ETHNews.com



In a statement made on August 21, 2017, members of the Enigma team, whose token offering was the target of a hack, announced that control has been reestablished over "all compromised accounts, including the website."

The team said that some of the website will remain deactivated as the team continues to work on the issue, and warned users not to send money or personal information to anyone. According to the announcement, its mailing list, the www.enigma.co domain, and a Slack administrator's account were all compromised. The team affirms that no company funds, wallet addresses, private keys, catalyst strategies, Twitter accounts, or Facebook accounts were stolen or hacked, and neither was its blog.

Highlights from the article:

- "[Enigma Catalyst's] mailing list, the www.enigma.co domain, and a Slack administrator's account were all compromised."
- "...close to \$500,000 in Ether was sent to an address tied to an elaborate phishing scam, which encompassed a Slack message and email campaign, as well as altering Enigma's official website in order to fool would-be token offering participants. In total, 1,492 Ether was sent to the scam address, which by now has been mostly funneled out."

Jeremy Nation. "Enigma Token Offering Eclipsed By Hacking Incident." *ETHNews.com*. 21 Aug. 2017. Web. 5 Sept. 2017. <<https://www.ethnews.com/enigma-token-offering-eclipsed-by-hacking-incident>>

The hacking incident



Enigma Project [Follow](#)

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A message from Guy to the Enigma community

This is a message from Guy Zyskind, co-founder and CEO of Enigma. I am writing to address the recent attack on Enigma and its community, as well as to share a few important announcements.

As many of you know, earlier this week, a well-coordinated phishing attack was launched against our community. This attack joins a long list of other similar attacks plaguing the crypto-community, which are often targeted at high-potential token sales and crypto projects. We have addressed the vulnerabilities that the attackers exposed and are taking other measures to ensure that our community is safe and our token sale is successful. While I and the entire Enigma team, our partners, and friends from the community are all still hard at work, I need to personally share my thoughts with our community.

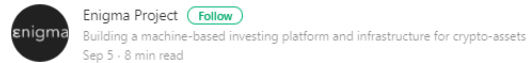
First, these past days have been extraordinarily challenging for everyone—for the victims of the phishing attack, for Enigma, and for our community at large. In this time, **Enigma is immensely grateful for the actions of our growing community.** Within minutes after the attack started, and throughout the days following the incident, our community took the lead.

Highlights from the article:

- “We will restore funds to everyone that lost money in this recent scam attempt after our token sale concludes.”
- “We’ve also put in place company-wide policies regarding data sharing and password management, along with other strict security measures. Also, to remove any doubt about information shared during our token sale, we plan to live-stream our token sale on September 11.”

Enigma Project. "A message from Guy to the Enigma community – Catalyst." *Catalyst*. 24 Aug. 2017. Web. 5 Sept. 2017. <<https://blog.enigma.co/a-message-from-guy-to-the-enigma-community-3f213e099d5a>>

Unexpected 50% increase in the hard cap



Enigma's Token Sale—Full Details

Caps, how to participate, refund model, queueing, and more.

Hello all. We are excited to announce the full details of our crowdsale. **This post contains critical information about the Enigma token sale structure, whitelist procedure, and individual caps.**

Our priority from day one has been a broad and fair token sale for our community. In order to democratize participation, we are introducing individual caps. **We have determined that individual contributions will be capped at \$3,600.**

We are also using a proportional refund model for the token sale. This means you will be guaranteed to receive at least 50% of the amount you contribute in ENG tokens. Up to 50% of your contribution may be refunded (in ETH / BTC) if our token sale is oversubscribed—more details are below. We are also increasing the overall token supply by 50% in order to ensure everyone in our community can participate in our token sale.

Finally, if you're in our whitelist, you'll be guaranteed a higher amount of your contribution (up to the \$3,600 cap) and you'll be first in the queue. More on this below.

Highlights from the article:

- “We have therefore decided to adjust the total number of ENG tokens that are being created and the number being distributed in our crowdsale. There will now be 150M total tokens in the supply...”
- “No new ENG tokens will be created after the crowdsale—the total supply will be fixed. Each ENG token is still being sold for \$0.60. This corresponds to a new crowdsale hard cap of approximately \$45M.”

Enigma Project. "Enigma's Token Sale — Full Details – Enigma Project – Medium." *Medium*. 5 Sept. 2017. Web. 5 Sept. 2017. <<https://medium.com/@EnigmaMPC/enigmas-token-sale-full-details-4d70c56510ba>>

Unexpected 50% increase in the hard cap

	Original Allocation		Revised Allocation		Change	
	No. of tokens	Value (USD)	No. of tokens	Value (USD)	No. of tokens	Value (USD)
Token sale participants (including the presale)	50M	\$30M	75M	\$45M	+25M	+\$15M
Distribution for community incentives (e.g. trading competitions, data licensing, etc.)	25M	\$15M	37.5M	\$22.5M	+12.5M	+\$7.5M
Retained by the Enigma team	25M	\$15M	37.5M	\$22.5M	+12.5M	+\$7.5M
Total	100M	\$60M	150M	\$90M	+50M	+\$30M

Changes to our view

Previous view (August 15, 2017)	Revised view (September 5, 2017)
<p>For flipping: Positive</p> <p>Good press coverage and market awareness should help generate buzz and boost near term demand. They should be able to hit their hard cap.</p>	<p>For flipping: Negative</p> <p>The recent high-profile hack, the 50% increase (or \$15 million) in the hard cap a few days before the crowdsale, and the current volatile market environment makes us negative on flipping.</p>
<p>For long-term holding: Positive</p> <p>The financial data industry is large and crypto is just getting started – they could be well-positioned to benefit from this trend.</p>	<p>For long-term holding: Neutral</p> <p>Enigma Catalyst could still succeed as the market potential is there. However, the 50% increase in market cap lowers the potential upside significantly.</p>

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