



Lowenstein's Tech Group Podcast: Crypto Innovators

Episode 2 - Metaverse Studio Shadow Factory Games, Part 1

By [Eric Swartz](#), [Leah Satlin](#), Amit Chatterjee, and Lewis Lupton

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Kevin Iredell: Welcome to the Lowenstein Sandler podcast series. I'm Kevin Iredell, Chief Marketing Officer at Lowenstein Sandler. Before we begin, please take a moment to subscribe to our podcast series at lowenstein.com/podcasts. Or find us on iTunes, Spotify, Pandora, Google podcast, and SoundCloud. Now let's take a listen.

Eric Swartz: Welcome to the Crypto Innovators Podcast presented by Lowenstein Sandler's Crypto Practice. We're speaking with the most innovative founders and operators in Web3 to shine light on the minds behind the technologies that fascinate us all. I'm here with my co-host Leah Satlin, who is a council in our IP practice. This is Eric Swartz, Senior Counsel and Vice Chair of our Crypto practice. I would like to introduce our guests for today, Amit Chatterjee and Lewis Lupton from Shadow Factory. Hi guys.

Amit Chatterjee: Hey Eric.

Lewis Lupton: Nice to talk to you.

Eric Swartz: Great talking to you too. Getting things kicked off right off the bat. Tell us about your journeys before Shadow Factory. What brought you to the Metaverse? Why Shadow Factory?

Amit Chatterjee: I've been very lucky in life. I got to graduate college earlier than most people do. I finished college when I was 18 and I got a chance to travel the world. I ended up in India working on projects for Centennial College. I ended up with another studio in Bombay called Toronto Studios, where we were going to work with Disney, Dreamworks and Nvidia. After that, I got a chance to work at Scholastic and then later run my own animation studio in Boston for a while. Later I went to Hong Kong with Ken Fitzgerald, helping them launch the commerce businesses in Hong Kong. By then, I kind of fell in love with the city and started a consulting practice with some friends, which later turned into what we now call Shadow Factory. Shadow Factory's been around for six years. We began as a VR AR consultancy, and now we've grown into an agency / tech company / metaverse solution's company as well.

We recently did a transformation of the company into a group of companies. Now it's Shadow Factory holding Shadow Factory games, which is a tech company that's committed to building metaverse products and solutions, as

well as Shadow Factory Creative, which is our metaverse agency, which specializes in web3 strategy and like how to get brands into that space and how to execute there. We recently closed around with several venture capital firms for the Shadow Factory games platform. We are building a platform that we call metaverse as a service with the ability to on-demand launch a metaverse at your fingertips, be able to customize it, brand it yourself, run your own merchandise there, run your own events there, make your own NFTs as well, all at your fingertips without needing to do any heavy lifting with technical backend, we prepare that for you. That'll all be subscription based then, instead of transaction based.

Eric Swartz: It's fantastic to hear. This is one of the most humble guys we'll ever meet because what he's really saying is I graduated at Harvard at 18. What he's really saying is I'm founding one of the most innovative metaverse as a service studios in the world. Hopefully if we get to Mars, it'll be there too. I'm sure.

Lewis Lupton: Absolutely, cool. I'll do a quick intro of myself. Hi there everybody. My name is Lewis Lupton, Chief Metaverse Officer for Shadow Factory. My background comes a little bit more from the events and entertainment standpoint. Previously in Shadow Factory, I've worked across a multitude of different industries in Hong Kong. Moreso, I've sort of spent my last three years cutting my teeth here, running one of Hong Kong's leading combat sports entertainment fields called Crossfire. I was their combat archery instructor for three years. We basically were trying to take the lead on finding out what were the coolest entertainments, coolest toys to get people engaged. From there on, it's just led me on a very, very exciting journey of finding out what's the latest, what's the coolest, and here with Shadow Factory, I find myself working with an absolutely fantastic world-class team. Every single day, we're just pumping out awesome content, awesome stuff. Yeah. That's where we're at.

Eric Swartz: I couldn't agree more Lewis. Honestly, everything I see, I'm just floored by.

Amit Chatterjee: Lewis is also being humble. He came to our team three, four years ago, started out as a business development person and has then risen the ranks and has now recently been promoted to Chief Metaverse Officer and totally a title that he earned as we were making our road towards the web3 space. He's always been several steps ahead of everybody else on the team, in terms of like, thought process, where is this technology going? What's going on out there? As we decided to create that role in-house, the only person I could visualize on that for it was Lewis. So, Lewis is really our go-to guru when it comes to what's going on in web3? What are the trends, who's out there, what tokens to buy, don't buy, but he's not allowed to comment. So Lewis is our in-house web3 knowledge base.

Eric Swartz: Lewis is also like an avid traveler and then just knows so much about the play-to-earn economy, like the actual play to earners and we've had extensive conversations on that. I would love to just have you tell the audience a bit about that. Just what you've seen, how you've learned about that economy, hands-on and all the beautiful things that it brings to the world.

Lewis Lupton:

Absolutely. I think for me play-to-earn is definitely a topic that's very, very close to my heart. I'm born and raised in Hong Kong. I am half Scottish, half Chinese. I basically grew up in local high school, primary schools. As a part of growing up, gaming in an online containment was such a huge part. So play-to-earn, I think, was something that kids here were trying to figure out in early days with things like Runescape and Warcraft, trying to sell resources for cash during recess. Now that this is a little less sort of underhand. Now it's a little bit more, it's official, there's systems in place, there's technologies to kind of facilitate it. It's just really, really exciting to be able to help steer this and tell people where some of the early trends are, what some of the pitfalls might be, and what are some of the things to expect when dealing with trading and winning and earning when it comes to gamers in that particular market.

Eric Swartz:

Agreed. And there's always a lot of lessons in that space. I mean, as Axi recently learned, and as all the projects in that space sort of evolved and figure out the right tokenomics for those ecosystems, it's an interesting space. And I've one that I hope to see proliferate quite a bit. So I can't wait for us to be talking about that one when you join us next time and then Amit. So third time founder, what keeps you coming back to the work bench? Why aren't you like the CFO or the CEO of Sony? Tell me.

Amit Chatterjee:

It's one of those things. That's, if it's in your blood, it's in your blood, you can't not do it. I think whenever I was interviewing for regular jobs, like a regular employee, back in the day, the interview always ask you the same questions. It's like, what are you looking for in your next job? Where do you yourself in five years? And I always had the same answer and I didn't really realize that I was given the same answer until I think a couple years ago I was interviewing somebody and asking them the same question. And I realized that I was aiming the same direction from the beginning, which is I'd always say to people it's really important to me that I get to work on a really great team doing really creative stuff, doing things that are the cutting edge of technical and creative work. And I didn't realize it, but I have been as an entrepreneur, trying to build my dream job all the way through.

And every attempt was iteration towards what we've now achieved with Shadow Factory, which is we have a really fantastic cutting edge international team. We're doing work on a global level. Nobody's doing the stuff that we're doing. We're more often than not first movers in our space, which is a space that's filled with really innovative, sharp people. So I'm very proud of what we accomplished team and our work, and nobody else is doing what we're doing. So it is actually that job that people ask me what I was looking for all this time. And I've been looking for this my whole life. So there's that aspect to it. There's also the aspect of, you know, as an entrepreneur, there's an opportunity really to have a voice in terms of like what I think about the industry, what I think about how the industry gets applied into people's day to day lives.

What does our work mean in the context of what's going on in the world right now, all the way around in terms socially, environmentally, politically, emotionally, all these things. We're coming through a period of intensity for everybody in the world coming out of COVID and all that. It's affected everybody in various ways. And I look at it as it's an honor for us working in a

space that's so close related to entertainment goods, where we really have an opportunity to affect people's lives. Like when people go home, but at the end of the day, they're all the same thing, right? They get out of their work clothes, they hang out with their family and they play video games or watch TV together. And they're on Netflix. And it's such an honor to be part of that ecosystem of where, what people do when they are themselves at home together.

And to have an opportunity to help people through these times and give them better things to do or facilitate easier way to them to not just be entertained, but to work together, connect to each other. That's a real privilege. So how could I not be doing that with my life?

Eric Swartz:

In every way, I couldn't agree more. I mean, that's in my legal practice. That's just what I try to do as well. And I just can't do that in as an exciting way. And I get my little piece of that world through you guys. And I love it so much. I mean, I couldn't imagine being more proud to represent you guys. And the next thing I wanted to kind of dive into with you guys is get a little more technical talk about the project. What is Beyond Site? What is the vision for Shadow Factory Games? Tell us a little bit about that.

Amit Chatterjee:

Sure. So I think for context as this whole metaverse Web3 space been developing and developing really fast. We've been running in this direction for the last six years when we started Shadow Factory, the first thing we did was build a virtual showroom for one of our clients. Then we gave them the ability to make updates to it on the fly, without needing to come to us. Then we gave them the ability to make that experience multi-users. So they could use it for sales and business development purposes, right. Anywhere in the world, participants anywhere, anytime. Right on demand. So we've been running in this direction from day one and as a NextGen company, we've always been hanging out with other NextGen guys. We've hung out with some of the AI guys hung out some of the blockchain guys and crypto guys, and we've been involved in those projects.

And then what ended up happening was around 2017, 2018. There was that crash in crypto. And a lot of our friends said to either pivot or delay other things or move around. And a lot of the stuff that we had our hands in just kind of disappeared. And we were like, okay, cool. We're just an XR product company. So we'll just keep doing our thing. And post-COVID, all this stuff started to bounce back. One, people wanted more visceral, more immersive virtual environments to meet up in. So what I would call a virtual venue and on the crypto side, obviously NFT started to back and people turned money with the various collectibles marketplaces and exchanges that started popping up. So, that started to create this huge boom. And then people started calling us, asking for advice on how to use these things, how to integrate these things.

And again, being digital strategists first, you know, we're not crypto guys, we're not trying to create a new blockchain or anything like that. We're not about building our own point. We're about using these technologies to make better product experiences for the end-user for people really drive value. So for us as digital strategists, we got in there and we're like, okay, well, here's

how I drive the solution for you. That's your need. Okay, cool. Here's how we can use this stuff to help you out. And we started getting phone calls from everybody, you know, I won't name drop brands, but you know, they're all brands would recognize they're all entertainment companies that you would recognize. And they're all people that I didn't realize had my number. And we got these phone calls, like almost on a daily basis from every sector, every industry as far-reaching as past North America, past Asia, past wherever we were getting calls out of The Bahamas at one point for, can we do this stuff?

And what can we get done? And I started to realize that if you listen to everything the needs were, it was like, we were hearing constantly, we need a better virtual venue. A more immersing way to connect with one another. And we need this for either entertainment or productivity or for, to somehow being able to bypass, not be able to see each other at first for whatever the reason is. So I was like, well, we've been doing that stuff from the beginning. And we definitely have all the pieces of that. We just need to invest in the time to put all that together and make, make the structure out of it. And then we could launch that product anytime and do that literally on demand. And the formulation of that idea turned into what we drafted as like a working paper or like a working concept.

And we needed to put a name to it. So we were in a brainstorm session in the company in studio, and we were trying to figure out what do we call this thing? And we came up with Beyond Site S I T E as just a way to think about again at this point, web3, wasn't the term metaverse, wasn't the term yet. We were still somewhere between VR XR and the next thing. So we were still short on terminology and inventing it as we were going along. So it's like, well, we're really going beyond websites and beyond virtual sites. So this is Beyond Site and that's where we landed with it. And we're going to come up with a different name when we actually launch it March late. But it's project under working title is beyond site and it's going quite well.

We've got an MVP kind of built out. So we have the ability to launch a virtual experience on demand. We already have the tools to customize it and to let's say brand it on demand as well. And now we're working all the automation and infrastructure to make that scalable so that anybody can go press a button and launch one of these things and run it. So, yeah, that's where we're at with the onsite right now. And we picked up some very interesting partnerships along the way, which we'll talk about it a little bit later.

Eric Swartz:

It's amazing. I mean, honestly, the idea of just launching a mall with a whole bunch of different brands. So I'll receive client pitches about various ideas. And I always go to the bench with Lewis and Amit to learn how to sort of structure them. And they've taught me so much about sort of all the various types of NFT markets that you might be able to create. And then also just how to link them together, how to show people the value of a metaverse system like Beyond Site and how to really bring it all together, because then there's eCommerce elements. There's NFTs you can sell. If it's just NFTs and that's the brand wearables can also work, but you might want to have a venue like a mall to actually showcase all of these different brands. And we recently had a client that was interested in exactly that, and he, I think will probably work with you guys. And honestly, it was really helpful just having

the experience with you guys to be able to walk them through that experience and how that might look launching a series of brands. Yeah.

Amit Chatterjee: We've already got a few concepts ready to go, cause we've been pitching stuff like that for the last couple years. So you're welcome to it.

Eric Swartz: I bet. So, Lewis, what's your favorite aspect of Beyond Site? What got you most excited about the product and the development work that you guys did?

Lewis Lupton: That's such an excellent question. I think for me personally, again, like I was saying earlier, a lot of my early exposure and experience with digital ecosystems and virtual worlds 10, 20 years ago was MMO RPG platforms. And again, for listeners who might have been in Asia, you might have grown up in Asia, they will sort of understand that the huge impact, these types of ecosystems and platforms had for the growth of people for as an escapism, as a way to kind of cope and deal with sort of like the way things in life goes around here. For me personally as well, like, look, I mean, I went through some personal family stuff at a very young age, and I constantly say that gaming played a huge, huge part in helping me kind of come to terms with certain things and sort of move on and kind of see life at a different light.

And I think for me, it's the power behind interactive media, the power behind not just gamification, but turning that untouchable sort of fantasy reality and just bringing it a little bit closer and making it a little bit more tangible that for me has been something that's drawn me into Shadow Factory. We've always been a company that builds the spoke solutions. And I think from a lot of client standpoint, a lot of people standpoint, they see these things still as sort of isolated places, isolated experience they're quite siloed off.

For me the ability for Beyond Site is helping them kind of go, well, it doesn't have to be, you know, and all of this does, it can interlink. You don't have to kind of go, I need someone else to do this. This is beyond me. This is out of my reach. It's not quite, if we're able to kind of bring that power back to people, make that process a little bit more easier, let you interact with the tools, the possibilities yourself. Again, it's great that we're able to kind of provide insight, but if the consumers, the users themselves are a little bit more literate with terms of the tools, they're able to kind of give us a lot more better ideas because they know the business, they know the challenges, they know the struggles they fundamentally know where things need to improve to see the real improvement. So for me, that's the real exciting thing about Beyond Site for me.

Eric Swartz: Absolutely. It's exactly the same way I feel about working with you guys. I mean, we were just talking about it, getting to see what you guys are doing every day, really drives what I'm doing in my practice and how I'm sort of thinking about NFTs, how you can monetize them, how you can think about ways to make them not extractive and value creative. That's super important to lead people on that road and to show them exactly how that works. And I know the shadow factory kind of led that charge and also showed me the possibilities in that vein and Amit, if you wanted to add something there.

Amit Chatterjee:

So I've been watching this space for a while, in terms of all the cash that's getting pushed into all these bets. People are willing to place these wild cash bets on various tokens, various NFTs, and they're not necessarily concerned about the value of the execution. On the other side, they're just like one out of 20 of these has got to make me the next crypto billionaire and I get it and people want to make their money. But I just was really shocked at the stuff people were willing to put their money into. Which, casually you can call it people want to bet on nothing in order to have a shot at one of these things taking off. And it really kind of bothered me cause I was like, well, at some point stuff like what's happening now will happen where the market will have a correction. And some of these things are going to go to zero and all that money is going to just disappear.

And how much of that money could we have directed at charitable activities or feeding the homeless or any of these things that are social good things that we could be keeping in mind or you're working towards? I get it. The intent is to be a billionaire, but if you can become a billionaire off of betting on "nothing", couldn't, you also do the same thing by betting on "something?" And so we've been exploring alongside, as we're building out these tools. Again, our position is brands will lead the metaverse. So brands will adopt the metaverse first and then their followers will follow them. And that's how we'll get the really cool experiences and the reason to be there. And all of that make that scalable. So as part of that, we're also like, well, what will brands need in the future? What kind of tools will they need?

Is there also thing with scalability in terms of like, okay, well where the CSR ESG tool gets for them and protocols and handbook for them, how do they, how do need to be mindful of how to use these technologies to play out that aspect of their company, right? It shouldn't just be meta versus customer engagement. It should be, we should be able to have a digital twin or counterpart to everything we're doing in the real world. As part of that effort, we launched an R and D effort to do basically instead of play to earn, we're doing some version of what I would call, do good to earn or some way to marry those tokenomics with charitable acts or charitable giving. One of the partners that we've taken on board to explore. This is a group called Adventure Ted and Eric, you can probably summarize this better than I can.

Eric Swartz:

So Adventure Ted is a hero in a kid's storybook that helps a little boy who has a big doctor's appointment. He doesn't know whether or not he has cancer and he has to go and find out the next day. And so he goes on this wild adventure with Adventure Ted, and it makes him feel better and it gives him the confidence to get up in the morning and go. And I think what's great about that story is the link to a really, really great charitable organization that my friend Tommy had, who actually established both Adventure Ted and Childhood Cancer Society has been able to really bring to the world because he just brings that positivity. He really cares about doing good in the world and through all his efforts, he was able to create this brand around that reality too.

And so what we're trying to do is kind of build a metaverse game to help other people all over the world, try and do some good and maybe earn some tokens along the way. And hopefully people are inspired by that. That's something that I know Amit, Lewis and I are incredibly passionate about. And

Tommy as well, if Tommy was here, you would see his gleaming smile right now.

All right. Well, thank you guys so much for taking the time to chat with us today. We'll be right back with another episode very soon. Thank you very much, everyone.

Kevin Iredell:

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