

# Reputation & collaboration in the dxDAO



# Background

Loopring:

a protocol for building non-custodial, high-performance, orderbook-based exchanges.



Me:

I do business/operations stuff for Loopring.

# Background cont'd: SNARKs, shill

## Loopring 3.0-beta3 Performance

	Tades per Second with on-chain Data Availability	Tades per Second with without on-chain Data Availability
Current Ethereum	350	6900
Post Istanbul Fork	1400	10500

Old versions: 3 tps

# dxDAO



A next-gen decentralized autonomous org. for  
community governance of software protocols

Created by Gnosis x DAOstack

dxDAO owns/governs the DutchX protocol

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Dutch auction trading protocol, created by Gnosis.

### Benefits:

- Frontrunning resistant
- Fair price feed
- Good for initial price discovery, low liquidity situations
- Can be truly decentralized (all on-chain)

### Disadvantages:

- Slow
- Complicated(?)



# dxDAO---DutchX

Now governed by the dxDAO, the DutchX may be the first real real DEX, **removing the control layer** that is often forgotten about.

Legal considerations !?!

Network effects, community

# dxDAO---DutchX

That is awesome. But could have some downsides:

- Apathy
- Lack of action-ability / speed of execution
- Suboptimal reputation distribution

# dxDAO

“Balance sufficient decentralization of participation and the provision of meaningful control w/r/t decision making & execution”

# Loopring cared because...

## **Community governance of software protocols**

Plan for our own DAO...which the dxDAO can help govern, and vice versa.

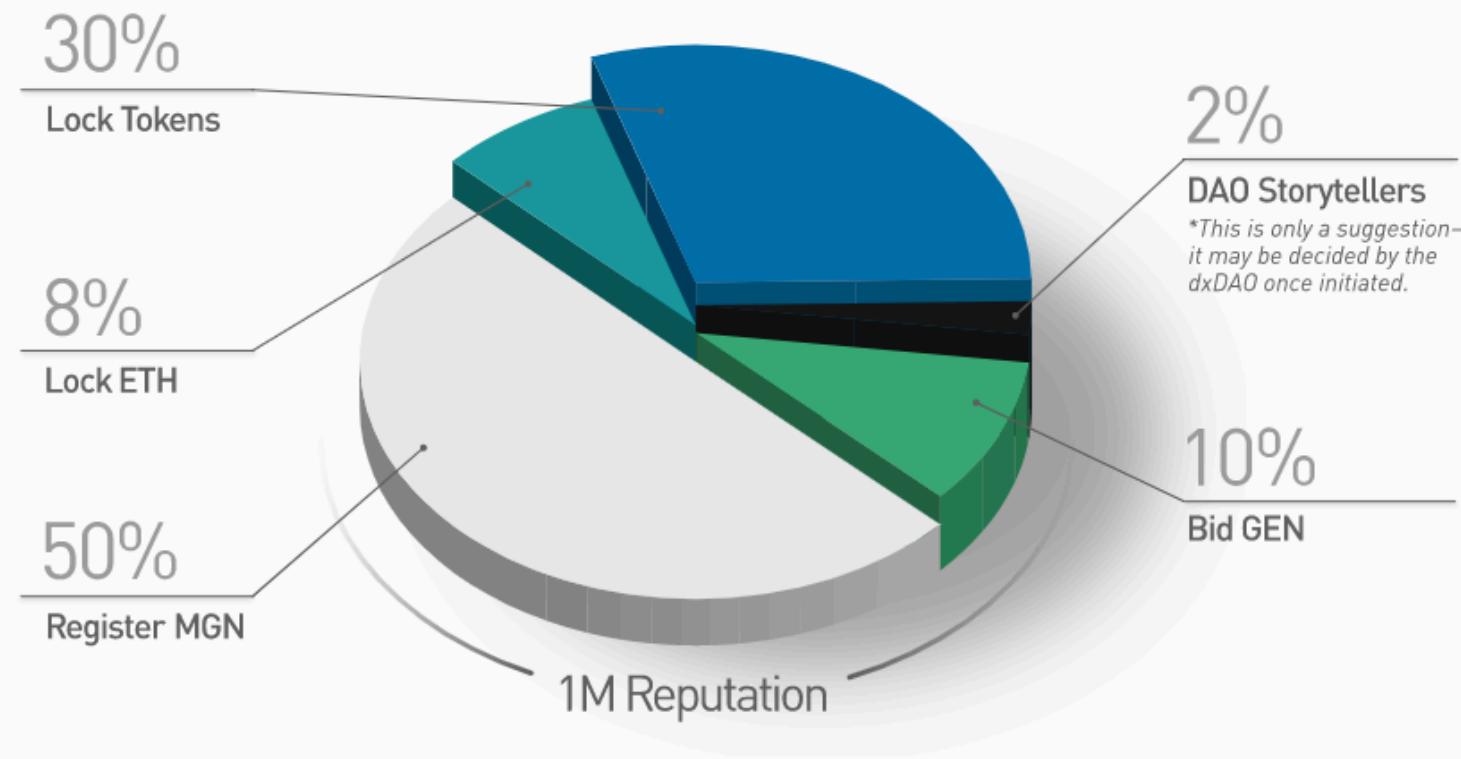
We had an internal need for DutchX (or similar)

- Turn the grab bag of fee tokens/ETH into LRC for burn

I thought it was really cool.

# Initial Reputation Offering

## Vote Staking Period



# Initial Reputation Offering

Acquirable by 4 methods during 30 days

Target people with sufficient technical/legal knowledge to contribute

# Initial Reputation Offering

**Balancing the goals**

Registering Magnolia	Locking an ERC20 (+receive back)	Locking ETH (+receive back)	Bidding GEN
50% Reputation	30% Reputation	8% Reputation	10% Reputation
Strong DutchX coupling	For Ethereum projects & their users	Ease of use	Funding for the dxDAO
~70 unique participants	25 different tokens were locked	~350 unique participants	~40k USD to the dxDAO treasury



# Participation stats

Participants – Unique overall dxDAO participants

**399**  
Participants

Contracts – Share of participants that's smart contracts

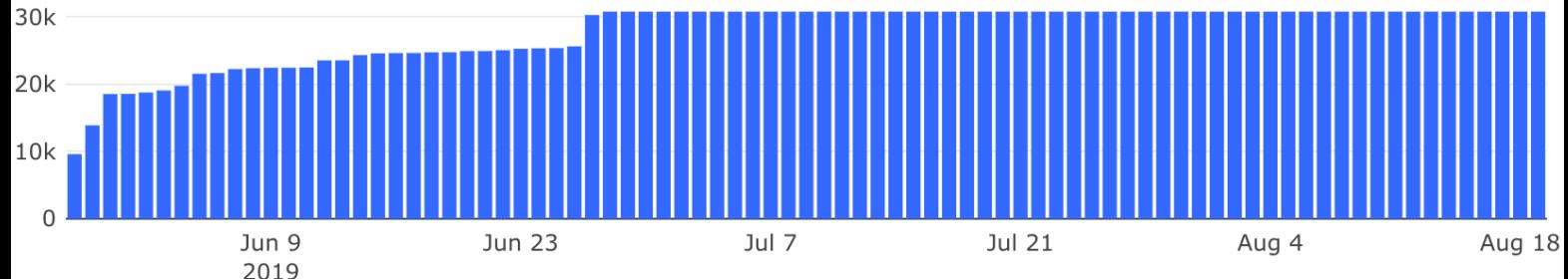
**28.1%**  
Contracts

USD locked – Locked ETH and Tokens USD Equivalent

**\$18,460,848**  
USD locked

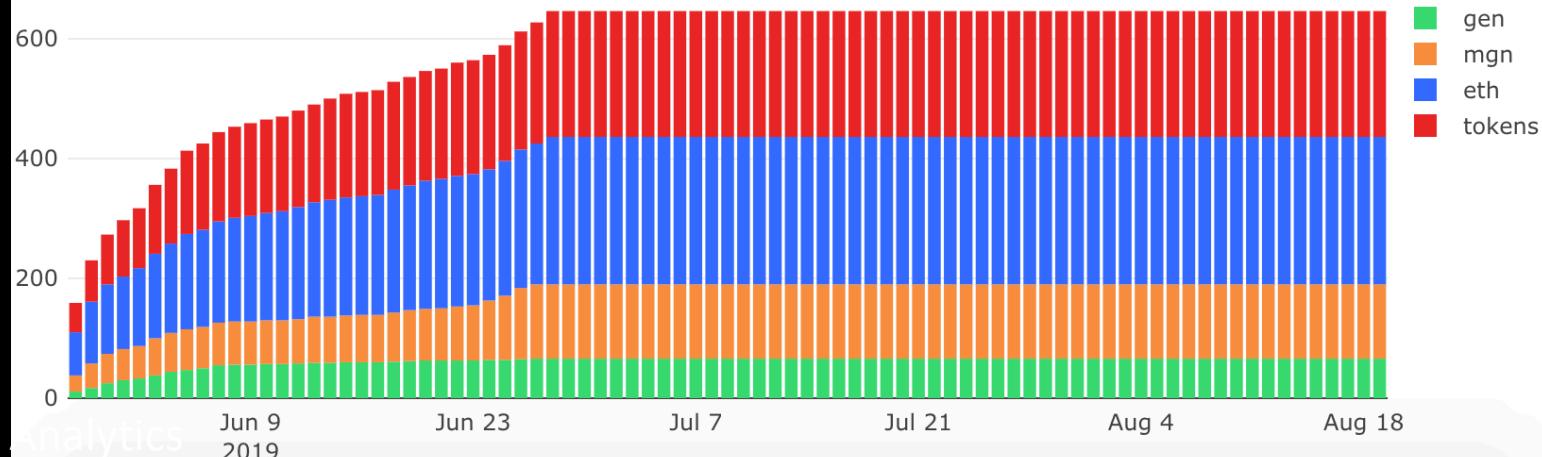
# More stats

Total amount of ETH locked – Lock ETH for Rep - Amount over time



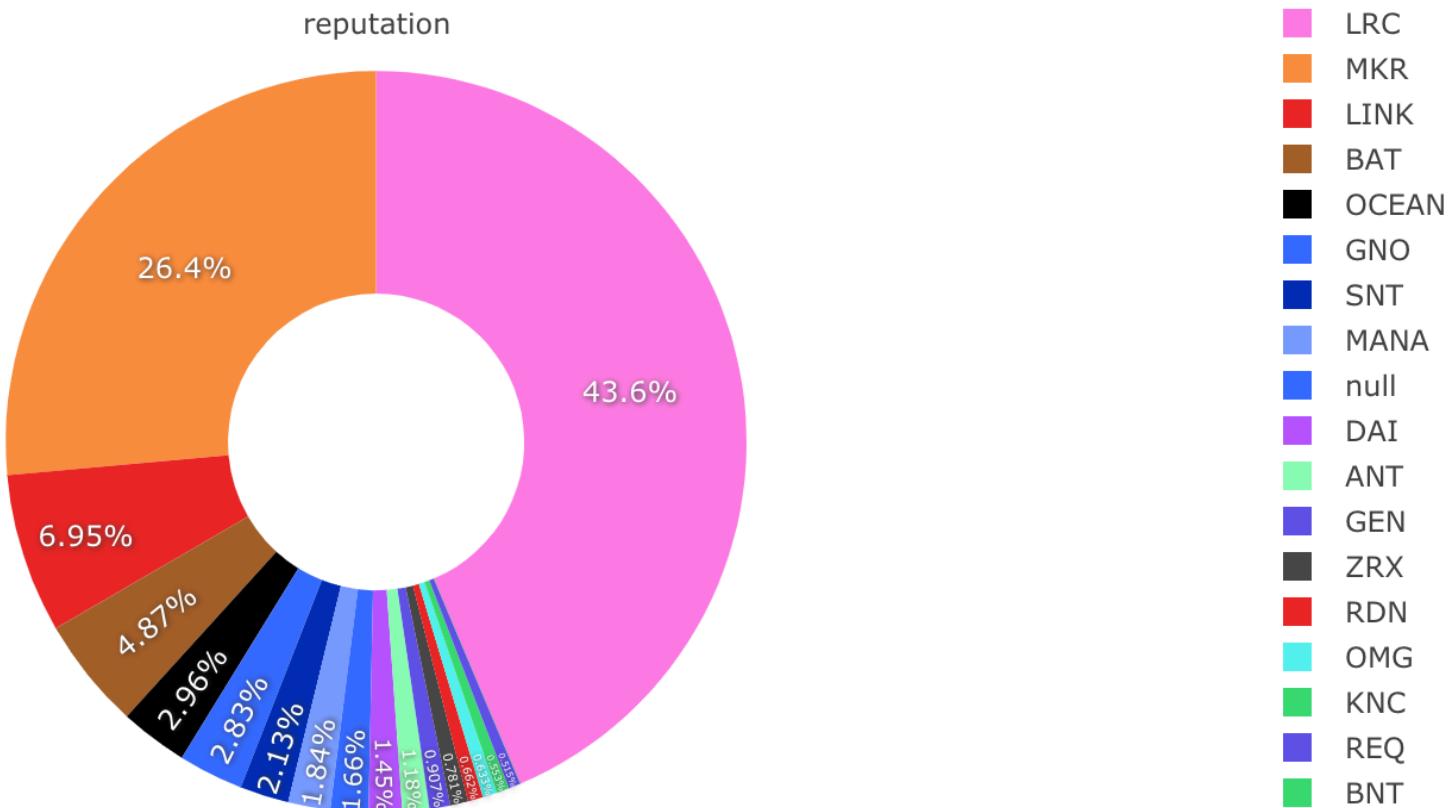
⌚ an hour ago

Number of participants per method



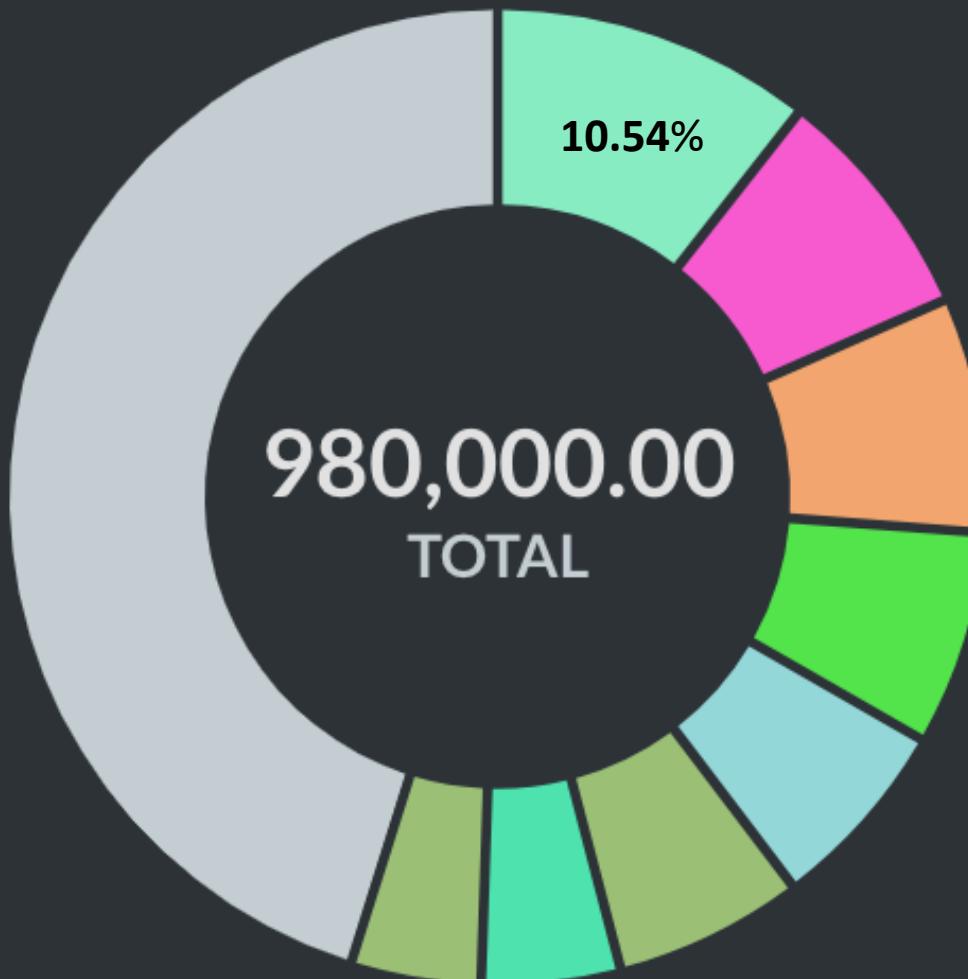
# ERC20 Staking Method

Reputation earned per Token



# Distribution

Reputation holder > 3%



# So what has the dxDAO been up to?

Regular

## Slashing Loopring Reputation

Proposal ends: 10d : 23h : 01m



Eric Arsenault

There has been discussion around "what to do 0.5% loopring's 0.5% reputation"?

Although we could do many things with this Rep, this is a proposal to simply slash it, which would make everyone else's reputation slightly higher. Let's see what the crowd says...

-0.51 % Rep. → 0xfe3619...

Vote: You voted - Against

Share

Votes | 9 Votes >

You voted - Against

For  
0.04 % Rep  
Against  
9.08 % Rep



Predictions

✓ Pass ✗ Fail

✓ 0 Pass

✗ 5.07k Fail

↗ > 7.31k GEN to boost

# Loopring's first unofficial proposal

We wanted to donate/distribute/auction ~0.5% of our Reputation.

Help flatten the distribution (+potentially raise \$)

Harder than anticipated

- Can't know recipient's 'true' identity (or rep total)
- Price discovery
- Technicals

# Figuring out our culture / molding the reputation distribution

DAOtalk.org

## Rewarding contributions

■ DAOs ■ dDAO proposals



eric.arsenault

13d

I believe it is important to create the right culture within dDAO, importantly a culture that rewards contributions.

Individuals who contribute valuable work for the dDAO should be the ones who are governing the DAO.

To kickstart this culture, I am proposing that members who were on our kickoff call today be rewarded 0.1% Rep each.

Please share thoughts / comments below.

# Claiming ENS domains

Passed

## Support Registering dutchx.eth with ENS



Oxd7fe30...

To deploy the DutchX in a fully decentralized way and to help facilitate its use, it is important that the dxDAO controls dutchx.eth. The purpose of this proposal is to have a vote signaling the intention of the dxDAO reputation holders to utilize and maintain dutchx.eth on the ENS registry.

The application to register dutchx.eth has already been submitted via the ENS short name registration process. See related DAO Talk thread here: <https://daotalk.org/t/reserve-ens-domain-dutchx-eth/730> Votes for this proposal will signal community buy-in and will help ensure that ENS reviewers confirm the registration.

The rewards associated with this proposal are 60 GEN to the address that paid the ENS fee for registering dutchx.eth (<https://etherscan.io/tx/0x4a3cc855e2c323bd6f0a7c36fa1861a7dd45109a8f1f6f84549f27a74d50d2e4>) and 100 reputation to the proposer. The registration fee cost 0.023709604760915114 ETH, approximately 60 GEN at current exchange rates on Uniswap.

Votes | 12 Votes > You voted - For

For 24.82 % Rep  
Against 0.00 % Rep



Predictions Predictions are disabled

Pass 1.35k

Fail 250

# Whitelisting and de-whitelisting

Passed

## De-whitelist BNT from MGN generating tokens



0x84443f...

De-whitelist BNT from MGN generating tokens

- Delist 1 token

- 0x1F573D6Fb3F13d689FF844B4cE37794d79a7FF1C

Vote: Voting disabled

Share

Votes

12 Votes >

Voting disabled



For  
23.83 % Rep



Against

+0.00 % Rep



Predictions

Predictions are disabled



3.58k Pass



500 Fail

# Making good on our word, paying active contributors

Passed

## DAO Storyteller rewards



0x730fd2...

DAO Storyteller reward

Hey guys,  
around two months ago (where the initial period of the dxDAO started) I began my storytelling via twitter with a goal to spread the news about the dxDAO and with that get as much people interested to join the dxDAO. My goal was to have a diversified set of co-founders at the beginning of our journey.

My first tweet happened at on the 23th May 2019:

Votes | 6 Votes >

Voting disabled

For  
12.42 % Rep  
Against  
0.00 % Rep



Predictions

Predictions are disabled

9.96k Pass

# First in-person meeting





# We have a bit of money

277.7k GEN in the treasury, ~\$17k

Can sell DXD tokens or Reputation for funds.

# Making proposals is easy

**What to Expect**  
This proposal can send eth / erc20 token, mint new DAO tokens (DXD) and mint / slash reputation in the DAO. Each proposal can have one of each of these actions. e.g. 100 rep for completing a project + 0.05 ETH for covering expenses.

**Title** Required

\* Summarize your proposal

**Description**

\* Write Preview H B I S , “ <> [ ]

**URL**

Description URL

**Recipient**

\* name / public key

**ETH Reward**

0

**Reputation Reward**

0

**External Token Reward**

0 GEN ▾

**DAO token (DXD) Reward**

0

**Cancel** **Submit proposal**

# Focusing attention is ~easy

## Contribution Reward

Proposals      Info

+ New proposal

Boosted Proposals (1)

01d : 05h : 45m

0x730fd2...

Dxdao branding and DXD asset icon

1.7k GEN + 0.10 % Rep. → 0x730fd2...

14.25 %  
 0.00 %

1k Pass  
 250 Fail

Pending Proposals (0)

# LEAF

Loopring Ecosystem Advancement Fund

Lock up some idle funds for a say in this new system...hopefully a value add for LRC holders

Strong start for eventual cross-DAO

# Reputation Age

Information age → Reputation age

Information will have value only if already filtered

Real world rep maps to DAO rep (if not anon), else, rationality

*“What most clearly sets human beings apart from other species is the **internalized gaze of others** that permanently haunts us”*

# dxDAO must define mission

Predictors are predicting what the DAO will vote for, not necessarily what is ‘good’ for it.

Success of the DAO (at scale) comes down to it having a reputation amongst predictors that is well known & defined.

# dxDAO call to a(u)ction

Figure out how to fund this thing, sustainably

Figure out how to drive DutchX volumes

- Super deep, popular, liquid pairs: ETH/DAI
- Super niche, new, venue-less tokens: MATT/ETU

Feel like we need a humanized-meme



# Join the discussion & the dxDAO

<https://daotalk.org/c/daos/dx-dao>

<https://t.me/dxDAO>

<https://github.com/loopring>

Thanks  
Jay@loopring.org