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**[cip-votes] CIP 0035 : 5North to become SV**

13 messages

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**Eric Saraniecki via lists.sync.global** <eric=digitalasset.com@lists.sync.global>

Tue, Jan 7, 2025 at 2:15 PM

Reply-To: cip-vote@lists.sync.global

To: cip-vote@lists.sync.global

Hello fellow Super Validators

CIP 0035 was debated and refined through a few back and forth interactions between the Tokenomics Working Group and 5North. I'm now presenting CIP 0035 for your ratification. This CIP passed a Working Group vote this week and now requires 2/3 of the SVs to ratify.

The GSF is doing a great job of improving the CIP process and creating some tooling. That will start to roll out in the coming weeks. For now, a normal email vote will be sufficient.

I'll start by voting in favor of CIP 0035.

Thank you for your timely vote.

## CIP 0035 :

### Summary

- Add [Five North](#) as a Tier2 SV (Weight 3)
- Five North commits to deploy 90% of their SV earnings in the form of investments into companies that would build applications in the Canton Network
- Five North will distribute the venture earnings gained through these investments (minus its fees) to the GSF for reinvestment into the Canton Network community

### Motivation

- Ecosystem funds have been proven mission-critical for the adoption of new chains and technologies in the blockchain space.
- By investing in companies around the ecosystem they accelerate adoption, evangelize the vision and of course help build the blocks needed for apps to create the networks and compound effects of a network.
- Successful examples of ecosystem funds include RSK, Solana and Avax.
- Applications across the public blockchain ecosystems are accustomed to receiving grants for adopting a new chain
- Grants come with several negative externalities
  - Grants produce a mercenary-style business model for companies on public chains
  - The Foundation giving grants has no upside in the success of the application
  - Foundations are not setup to be VCs and are not well qualified to make investment decisions
  - Grants are a one-way-function : money only leaves the Foundation and is not returned to the community
- Equity investments improve on many of these issues
  - Selling equity in your company requires deeper consideration and longer term thinking
  - The community can financially benefit from holding an equity stake in the companies coming to Canton
  - A for-profit, venture capital company is more qualified to make equity investments
  - Majority of the profits are returned to the community for further reinvestment

## Mechanics

- The structure will be a typical LP/GP structure, in which the LP has the purpose of investing into the ecosystem of Canton.

- 5N GP will be the GP
- The LP can also have external investors
- The LP directors will be able to fire the GP in case of mismanagement or underperforming
- The LP directors will be also able to dissolve the partnership
- The GP/LP structure will be an open-ended structure and has a minimum life of 2 years
- The SV will be Operated by the 5N GP
- 5N GP commits to contribute 90% of the token rewards to the LP for life, regardless of whether it remains the GP of the LP
- The fee structure can be 2% management fees /20% performance
- In the event of the LP is dissolved, the GP will be REQUIRED TO ASSIGN THE VALIDATOR BACK TO THE FOUNDATION

## About Yiannis Varelakis and Five North

- Yiannis Varelakis is a long time crypto entrepreneur with an engineering background
- Co-Founder of Monday Capital, a fund that has been investing in blockchain infrastructure since 2017. Early investments include Securitize, Zerohash, QCP, The Graph and RSK
- He is also the founder of other successful community venture firms like the Bitcoin Development Studio (acquired by [rootstock.io](https://rootstock.io) for the RSK community) and Openstory Inc, one of the first blockchain indexers that was acquired by Ava Labs in 2023.
- Through Monday Capital, created the first BTC ecosystem fund on top of RSK. The ecosystem fund of RSK was critical to the development of the first Bitcoin DeFi infrastructure and related technologies. The companies include Sovryn - a full service AMM, lending and spot trading platform, Money On Chain - the first and only BTC backed stablecoin and TravelX an NFT ticketing platform that serves the airline industry.
- In 2024 he founded Five North, a prop trading and investment firm that focuses on developing, trading and investing in companies that bridge the gap between TradFi and DeFi.

## Proposed Changes

- Increase the GSF's minting weight +3 and assign to Five North
- Five North will take over operations of their own SV no later than 6 months after the approval of this CIP unless the SV pool prevents expansion to accommodate a new operator in that time frame

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**Eric Saraniecki via lists.sync.global** <[eric=digitalasset.com@lists.sync.global](mailto:eric=digitalasset.com@lists.sync.global)>  
Reply-To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)  
To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

Tue, Jan 7, 2025 at 2:17 PM

Attaching a PDF - the email format wasn't the easiest thing to read.

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 **CIP 0035 v0.2.pdf**  
86K

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**Veronica Augustsson via lists.sync.global** <[veronica=7ridge.com@lists.sync.global](mailto:veronica=7ridge.com@lists.sync.global)>  
Reply-To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)  
To: "[cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)" <[cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)>

Tue, Jan 7, 2025 at 3:03 PM

7RIDGE vote in favour of CIP 0035

VERONICA AUGUST / PARTNER  
SSON



Signature for V e r o n i c a A u g u s t s s o n

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**Justin Peterson via lists.sync.global** <justin.peterson=tradeweb.com@lists.sync.global>

Tue, Jan 7, 2025 at 9:40 PM

Reply-To: cip-vote@lists.sync.global

To: "cip-vote@lists.sync.global" <cip-vote@lists.sync.global>

Tradeweb votes in favor of CIP 0035.

Best, Justin

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**From:** cip-vote@lists.sync.global <cip-vote@lists.sync.global> on behalf of: Eric Saraniecki via lists.sync.global <eric=digitalasset.com@lists.sync.global>

**Date:** Wednesday, Jan 08, 2025 at 1:15AM

**To:** cip-vote@lists.sync.global <cip-vote@lists.sync.global>

**Subject:** [cip-votes] CIP 0035 : 5North to become SV

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**Clarisse Hagege via lists.sync.global** <clarisse=dfns.co@lists.sync.global>

Tue, Jan 7, 2025 at 9:48 PM

Reply-To: cip-vote@lists.sync.global  
To: cip-vote@lists.sync.global

Dfns votes in favor of CIP 0035.



**Clarisse Hagège**

CEO & Cofounder

[dfns.co](https://dfns.co) | [Linkedin](#) | [Book a meeting](#)

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**Prakash Neelakantan via lists.sync.global** <prakash.neelakantan=broadridge.com@lists.sync.global>

Wed, Jan 8, 2025  
at 6:45 AM

Reply-To: cip-vote@lists.sync.global

To: "cip-vote@lists.sync.global" <cip-vote@lists.sync.global>

BR votes in favor of CIP 0035

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**From:** cip-vote@lists.sync.global <cip-vote@lists.sync.global> on behalf of Eric Saraniecki via lists.sync.global <eric=digitalasset.com@lists.sync.global>

**Sent:** Tuesday, January 7, 2025 2:16 PM

**To:** cip-vote@lists.sync.global <cip-vote@lists.sync.global>

**Subject:** [cip-votes] CIP 0035 : 5North to become SV

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**Eric Saraniecki via lists.sync.global** <eric=digitalasset.com@lists.sync.global>

Thu, Jan 9, 2025 at 9:31 AM

Reply-To: cip-vote@lists.sync.global

To: cip-vote@lists.sync.global

Thanks everyone so far - we are close to a passing vote here

How about the rest - can we vote before the end of the week please?

[Quoted text hidden]

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**W. Eric Saraniecki**

Co-founder / +1 773 719 1983

Digital Asset, creators of [Daml](#)

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**Jan Hoenisch via lists.sync.global** <jan.hoenisch=mpch.com@lists.sync.global>

Thu, Jan 9, 2025 at 4:51 PM

Reply-To: cip-vote@lists.sync.global

To: "cip-vote@lists.sync.global" <cip-vote@lists.sync.global>

MPCH votes in favor of CIP 0035

Jan

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**From:** cip-vote@lists.sync.global <cip-vote@lists.sync.global> on behalf of Eric Saraniecki via lists.sync.global <eric=digitalasset.com@lists.sync.global>

**Date:** Tuesday, January 7, 2025 at 14:17

**To:** cip-vote@lists.sync.global <cip-vote@lists.sync.global>

**Subject:** [cip-votes] CIP 0035 : 5North to become SV

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Chris Zuehlke via lists.sync.global <czuehlke=drwholdings.com@lists.sync.global>

Thu, Jan 9, 2025 at  
8:08 PM

Reply-To: cip-vote@lists.sync.global

To: "cip-vote@lists.sync.global" <cip-vote@lists.sync.global>

Cumberland/DRW votes in favor.

Thanks  
Chris

On Jan 9, 2025, at 3:51 PM, Jan Hoenisch via lists.sync.global <jan.hoenisch=mpch.com@lists.sync.global> wrote:

MPCH votes in favor of CIP 0035 Jan From: cip-vote@lists.sync.global <cip-vote@lists.sync.global> on behalf of Eric Saraniecki via lists.sync.global <eric=digitalasset.com@lists.sync.global> Date: Tuesday, January 7, 2025 at 14:17

MPCH votes in favor of CIP 0035

Jan

From: cip-vote@lists.sync.global <cip-vote@lists.sync.global> on behalf of Eric Saraniecki via lists.sync.global <eric=digitalasset.com@lists.sync.global>  
Date: Tuesday, January 7, 2025 at 14:17  
To: cip-vote@lists.sync.global <cip-vote@lists.sync.global>  
Subject: [cip-votes] CIP 0035 : 5North to become SV

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Thank you for your timely vote.

CIP 0035 :  
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- \* Add Five North<[https://urldefense.com/v3/\\_\\_https://www.fivenorthgroup.com/\\_\\_;!!EvhwMw!S4wS4C49W0blw6ZAvizm8MX3N0Y7lehjrFzV1E-nQBwOZYHb4NPxUjgcUVGogto-7\\_UHMFa58\\_LQKDIhDBV7k\\_Q63EJHa\\_noyFbGcT4\\$>](https://urldefense.com/v3/__https://www.fivenorthgroup.com/__;!!EvhwMw!S4wS4C49W0blw6ZAvizm8MX3N0Y7lehjrFzV1E-nQBwOZYHb4NPxUjgcUVGogto-7_UHMFa58_LQKDIhDBV7k_Q63EJHa_noyFbGcT4$>) as a Tier2 SV (Weight 3)
- \* Five North commits to deploy 90% of their SV earnings in the form of investments into companies that would build applications in the Canton Network
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Motivation

- \* Ecosystem funds have been proven mission-critical for the adoption of net chains and technologies in the blockchain space.
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## Mechanics

- \* The structure will be a typical LP/GP structure, in which the LP has the purpose of investing into the ecosystem of Canton.
- \* 5N GP will be the GP
- \* The LP can also have external investors
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## About Yiannis Varelas and Five North

- \* Yiannis Varelas is a long time crypto entrepreneur with an engineering background
- \* Co-Founder of Monday Capital, a fund that has been investing in blockchain infrastructure since 2017. Early investments include Securitize, Zerohash, QCP, The Graph and RSK
- \* He is also the founder of other successful community venture firms like the Bitcoin Development Studio (acquired by [rootstock.io](https://rootstock.io) for the RSK community) and Openstory Inc, one of the first blockchain indexers that was acquired by Ava Labs in 2023.
- \* Through Monday Capital, created the first BTC ecosystem fund on top of RSK. The ecosystem fund of RSK was critical to the development of the first Bitcoin DeFi infrastructure and related technologies. The companies include Sovryn - a full service AMM, lending and spot trading platform, Money On Chain - the first and only BTC backed stablecoin and TravelX an NFT ticketing platform that serves the airline industry.
- \* In 2024 he founded Five North, a prop trading and investment firm that focuses on developing, trading and investing in companies that bridge the gap between TradFi and DeFi.

## Proposed Changes

- \* Increase the GSF's minting weight +3 and assign to Five North
- \* Five North will take over operations of their own SV no later than 6 months after the approval of this CIP unless the SV pool prevents expansion to accommodate a new operator in that time frame

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**Aman Goyal via lists.sync.global** <[aman.goyal=sbisecsol.com@lists.sync.global](mailto:aman.goyal=sbisecsol.com@lists.sync.global)>

Thu, Jan 9, 2025 at 11:05 PM

Reply-To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

SVN (SBI) votes in favor.

Thanks,  
Aman

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**Joshua Frank via lists.sync.global** <[jfrank=thetie.io@lists.sync.global](mailto:jfrank=thetie.io@lists.sync.global)>

Fri, Jan 10, 2025 at 9:05 AM

Reply-To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

The Tie votes in favor

**Joshua Frank**

Co-Founder & CEO

[jfrank@thetie.io](mailto:jfrank@thetie.io)



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**James Lang via lists.sync.global** <[james=libertycityventures.com@lists.sync.global](mailto:james=libertycityventures.com@lists.sync.global)>

Fri, Jan 10, 2025 at 9:07 AM

Reply-To: [cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)

To: "[cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)" <[cip-vote@lists.sync.global](mailto:cip-vote@lists.sync.global)>

Liberty City Ventures votes in favor.

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**From:** cip-vote@lists.sync.global <cip-vote@lists.sync.global> **On Behalf Of** Eric Saraniecki via lists.sync.global  
**Sent:** Tuesday, January 7, 2025 2:18 PM  
**To:** cip-vote@lists.sync.global  
**Subject:** Re: [cip-votes] CIP 0035 : 5North to become SV

Attaching a PDF - the email format wasn't the easiest thing to read.

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**Wayne Collier via lists.sync.global** <wayne.collier=digitalasset.com@lists.sync.global>  
Reply-To: cip-vote@lists.sync.global  
To: cip-vote@lists.sync.global

Wed, Jan 22, 2025 at 1:11 PM

As best I can tell, the tally for this vote is:

Yes: 10 votes

Digital Asset  
C7 Technology Services  
Tradeweb  
Dfns  
Broadridge  
MPCH  
Cumberland  
SV Nodeops  
The Tie  
Liberty City Ventures

Abstain / No Vote Recorded: 3 Votes

Copper (Alex Maslin)  
Orb-1 (Hassan Bassiri)  
Global Synchronizer Foundation (Fernando Vazquez ?)

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