LFG S2AMA1: Sanctum & Adastrea

**Slorg:** [00:00:00] So, this AMA will take place in four parts. First is going to be the formal AMA between both of us and you guys.

**Slorg:** Secondly, we'll open it up to the projects for any final statements they want to address to the audience. Thirdly, we'll let the audience come up and ask questions. Not everyone, we're only going to let cat cadets and cats of culture actually come up to speak. The rest of you can type your questions in the chat.

**Slorg:** And then finally, at the very end, we will introduce the candidates for the next week. So without further ado, Kimo, take it away and introduce our first candidate, Adrastia.

**Kemosabe:** So Adrastia is a DeFi initiative that, Aims to build on top of our robust Jupyter ecosystem.

**Kemosabe:** They aim to build sophisticated yield strategies on top of JLP, USDC, and more. If you guys want to give intros to yourself then we can jump into the questions.

**Burner:** Yeah, for sure. Thanks. Yeah. You know, first off, just want to say a shout out to everybody in the audience. Appreciate you listening in and thanks, you know, for you [00:01:00] guys hosting and giving us the time here to talk about our project.

**Burner:** My name is Burner. I do events and speaking and community outreach for the team here. And then I've got our founders here, 3Figs and BM, and they can hop in and say hello.

**Threefigs:** Hey, hey, hey. Yeah, nice to meet you,

**Slorg:** everyone.

**Burner:** Glad to have you. Yeah, nice to meet you guys, and welcome.

**Kemosabe:** Cool. I guess we'll just jump right into the questions.

**Kemosabe:** I think the first is what is Adrastia and how does it integrate with the Jupyter ecosystem?

**Burner:** Yeah, totally. So basically, I mean, you gave a pretty nice little sentence there in the beginning, but to kind of reiterate that Adrastia is DeFi protocol. And so what we're doing is we're building DeFi yield strategies and automating them for users.

**Burner:** So basically a DeFi yield strategy is taking a capital efficiency and allowing people to get a higher yield on their investments. And so our first strategy and a few of our main strategies coming out are going to be built on top of the JLP token a part of the Jupyter. ecosystem. And [00:02:00] so you know, we're not just built on top of Solana, but rebuilt this with Jupyter in mind.

**Burner:** So we're pretty excited to be able to potentially have this collaboration.

**Kemosabe:** Sweet. Is there a lack of similar DeFi strategies to the ones you plan to build on top of Jupyter?

**Burner:** Yeah. So in essence, you know, what really sets us apart is that we're automating all of these. So You know, even since the beginning, like on ETH, DeFi, there's been different ways of tapping into yield efficiency, right?

**Burner:** But when it comes to manual strategies they're either usually difficult for users, or they're extremely time consuming. So basically, what our protocol aims to do, With our automation is minimize risk while also minimizing the time needed to be involved with your position.

**Kemosabe:** Cool. Do you have any of those strategies live now?

**Kemosabe:** If yes, how do they work? And if no, how do they work?

**Burner:** Yeah, so our beta is going to be coming out in about two weeks here in march. And that will be our initial leverage JLP strategy. And so this strategy is the only one that's going to be on our [00:03:00] protocol after our launch in around April. And then we'll slowly begin rolling out the next the next tier of stuff.

**Kemosabe:** So the leverage JLP strategy, is that like a essentially borrow money to increase your JLP position?

**Burner:** Yeah, so what it's going to look like is we have two vaults in relation, in relation to this strategy. And so the two vaults work together to create the leverage. So what it looks like for a user is you'll go to our platform site and they'll be basically just a deposit.

**Burner:** And so you'll deposit your capital either into our JLP vault to provide you leverage on your JLP, or you'll provide USDC in our USDC vault. And so the protocol uses our liquidity from the USDC vault to mint more JLP. And provide that a higher yield for folks. And so, yeah. And so we're offering higher USDC yield than average in the market.

**Burner:** And that's kind of where that liquidity attraction comes from.

**Kemosabe:** That's cool. I'm curious, is there, is there a liquidation risk? So like I've noticed that JLP while [00:04:00] it is much stabler than other cryptos and and the lovely upward fashion when there is a large market move, it does have a little bit of volatility.

**Kemosabe:** Sort of what? What? What are you doing to mitigate that risk?

**Burner:** Yeah, great question. Yeah. So I mean, that's kind of the whole, like, one of the main intentions of this protocol, right, is to minimize risk with these type of strategies. And so our protocol protocol on the JLP provides a two X leverage and it's auto rebalancing.

**Burner:** So two X leverage You know, while we are using leverage, it's, it's basically as low as you can go. And so it'll be rebalancing in real time, right? Depending on the market volatility. So within these parameters that the protocol sets, it'll automatically be rebalancing and keeping your investments safe.

**Burner:** But of course, anytime you're using leverage, right, there is risk of liquidation. So what that would look like, In this situation would be like if there was like a black swan event with like Bitcoin or something like that and the underlying assets in the JLP were to like [00:05:00] nuke, extremely rapidly, you know, there could be a liquidation in that situation.

**Kemosabe:** Right. Okay. So since JLP is funded by Bitcoin and liquidations on Bitcoin and Ethereum and Solana, if those experienced existential risk, then obviously JLP would, and then this protocol would as well. Is that right? Is that correct? Understanding?

**Burner:** Yeah, but I would add to that, you know, that the rebalancing mechanism does everything it can to prevent this.

**Burner:** So if like one of the underlying basket assets was to drop significantly, but let's say over the course of a few days that wouldn't trigger liquidation. It would be like an instant, like black swan type of situation that would trigger liquidation. Right,

**Kemosabe:** right. Yeah, yeah. Something very, very big.

**Kemosabe:** Right. Okay, cool. And then I think we all have slightly bigger problems. Haha. Yeah, exactly. Yeah, exactly. Right, cool. So I guess the TLDR is that you're creating easy to use yield strategies starting with JLP and USDC. Is there any plans to [00:06:00] expand that to other coins maybe other Jupyter related coins or Launchpad projects or maybe just the larger Scala ecosystem as a whole?

**Burner:** Yeah, could you ask that beginning again? You said expanding to other tokens?

**Kemosabe:** Yeah, like expanding to others. So it's like, I guess the better way to frame it is like, do you see yourself as building very closely with the things that Jupyter works on? Or do you plan to sort of broaden the base and offer more DeFi strategies similar to like Camino or, or these other protocols?

**Burner:** Yeah, sure. Yeah, so we definitely plan on covering all our bases with Jupyter involvement, particularly JLP. So, after the leverage, JLP Delta Neutral is probably the next JLP we're looking at. And something I'm, as a, from a user standpoint I, I really like the Delta Neutral JLP option.

**Burner:** Besides expanding beyond Jupyter, you know, we're definitely looking at FlashTrade stuff. We don't plan on necessarily diluting our platform with like, trying to cover everyone, everywhere. It's kind of a, we [00:07:00] want to allot our resources and energy to make intentional strategies that are not only efficient and working well, but you know, would be worth it for both us as a platform and the users.

**Burner:** But there is plans for expansion, just, you know, in general,

**Kemosabe:** so, yeah. So flash trade has a similar FLP to JLP. And so that makes sense to expand to understand that I'm understanding correctly, right. Like similar strategies and all that good stuff.

**Burner:** Yeah. And it's interesting too, you know, because like JLP has a pretty different weight in its basket you know, FLP.

**Kemosabe:** Right. Yeah. I'm, I'm I'm pretty sure they have like many, I think I have gold and all sorts of other stuff over there. Interesting. Let's see. She already kind of asked a couple of these. Do you feel at risk from say Jupiter builds something similar. Do you feel any risk there? Is that not really a concern at all?

**Burner:** Yeah, I mean it's not a it's not a huge concern I think the intention of our our protocol right is it's it's trying to work in tandem with jupiter So we're aiming to bring value to the [00:08:00] jupiter team its ecosystem and its users You know, and I think it's kind of like a selling point for Jupyter in the sense where it's saying like You know as it as a protocol you guys are expanding your ecosystem, right?

**Burner:** So, I mean, I think we're probably you know The first but I'm sure there'll be plenty more in different fashions of people building on top of you know Aggregators like like you guys and fleshing out different ecosystems

**Kemosabe:** Yeah, I think the more teams building on Jupyter, the better and the team doesn't have any interest in, changing that meta.

**Kemosabe:** But cool. Is there any large technical challenges sort of in building this out that you faced? I think like this could be on like a protocol level or maybe, you know, something like Solana field transactions. How are you dealing with those sorts of things? Are there big ones you've overcome?

**Kemosabe:** Or big frustrations, perhaps.

**Burner:** Yeah, totally. I think, well, I'm not on the dev team myself, but something I think I can speak to from, you know, just what I've been exposed to with our team would be that, you know, when we have a pretty experienced dev team, it's [00:09:00] a small group. So I think the main challenge is just like you know, the time consuming nature of building everything out, but it's pretty impressive how they've squared everything away.

**Burner:** And I don't think there's been any major hurdles on our end, mainly just like manpower taking the time to do it right.

**Kemosabe:** Yeah, do you know how the the, like, the current network congestion on Solana has impacted you, if at all?

**Kemosabe:** Yeah, I don't believe

**Burner:** that's, yeah, I don't believe that's been an impact so far from the test we've written. And we'll be screening in beta too, you know, how that how that all works out as well.

**Kemosabe:** Yeah, it's a, it's a fun question for me because a bunch of devs I know have been having trouble deploying programs.

**Kemosabe:** So I just, that's a, that's more of a personal question. Let's see. What's yeah, what's the revenue model? Like how do you plan to sort of monetize this?

**Burner:** Yeah, definitely. So basically, you know we kind of dove in even pretty quick, too. So we'll see what people have to ask at the end if I need to simplify, like, the meat and bones of the of the protocol, like how it works.

**Burner:** But basically, right, so [00:10:00] you so we're providing the JLP leverage yield for folks, right? And the yield that our protocol is generating is going to be getting split. The part of that yield goes back to our JLP depositors parts going back to those USDC liquidators, or I mean not liquidators providers.

**Burner:** And another portion is going to go back to the treasury for the for the protocol. And basically the Dow for the token holders will be able to vote on how they want to allot this extra portion.

**Kemosabe:** Oh, sweet. That's fun. On the DAO so I saw that you've got quite a few NFT communities in your early seed round, is that correct?

**Kemosabe:** Yeah, that's cool. I think I, I know a couple of the founders there. Could you speak on sort of like the, the community side of it all? I know that NFT communities typically have a pretty, tight knit crew. What have you guys done to sort of foster community? You know, what have you seen work?

**Kemosabe:** Well,

**Burner:** yeah, so this is something I'm pretty excited to speak about. And I think as a team, we're pretty excited to speak about. So it's [00:11:00] like one of sort of the ethos as our, at our project, right. Is like simplifying DeFi and connecting basically different participants in the Solana ecosystem, right? So it's like.

**Burner:** You know, for me, I've been on Solana since, you know, pretty much the beginning, early 2021, and up until a couple years ago, you know, my mental association with Solana would be like NFTs, and then over this past, you know, maybe 12 months 18 months, you know, we've seen a lot of like emerging, exciting things on DeFi, but you've got a lot of these other communities who are still like You know, sometimes hesitant to defy, or sometimes there's like a barrier with wanting to learn about it.

**Burner:** And so we really have this intention of like bridging this gap between necessarily like experienced defy users and folks who are maybe new to defy. And so like from a community standpoint, you know, we're, we're not only looking to basically connect with like the NFT OG. Sectors of Solana, but also providing a lot of education for folks.

**Burner:** So we're doing this DeFi 101 school in our discord right now. And we've gotten a pretty stellar response on it. [00:12:00] And basically it's like an eight module school for people to learn everything about DeFi, and we've had some really killer guests from actually from Jupiter, Lastrade, Orca, and a lot of you know, big protocols on DeFi.

**Burner:** So it's, It's like pretty exciting to see that both builders are kind of wanting to educate, but also people are open to it. So that's been a big part of like kind of building our pillars of this early stage of our community.

**Kemosabe:** Yeah, I love that. Is that free to attend? So like could anybody in this call pop in and, listen to those?

**Kemosabe:** Oh yeah, definitely.

**Burner:** Yeah. That's

**Kemosabe:** awesome. Yeah, I love that. I think there's like a pretty big, large lack of education in general. And I think like a lot of this stuff can get pretty heady, you know, when you're talking about impermanent loss and, and all this stuff and it takes a while to wrap a head around.

**Kemosabe:** Have you seen any would you say that there's any of those specific lectures that had like or classes that had like some big takeaways that you might want to share with the community here? Like I don't know, easy lesson or not an [00:13:00] obvious answer or misconception that people might have about Solana DeFi?

**Burner:** Yeah, I love that. Yeah, well, we're only on lesson two right now. So this, this just really sort of began. It was something we worked on behind the scenes for a while, but we've pretty much just launched it. And you know, one thing I'll add to that we were just talking about too, is like, it's also nice that it's sort of like crypto native, right?

**Burner:** Because you can even go to like, Yeah. Yeah. I'm sure, you know, there's other lessons on YouTube and things like that, but you know, with this, it's like, it's right in discord. So, you know, for people who are degenning full time, you don't even have to leave the app or whatever, right? So it's all there. Yeah, I think one big takeaway is mainly I think educating folks like Realizing how DeFi is built in essentially to the foundation of everything we're doing in crypto, you know, basically anytime you're trading a token on a DEX or, you know, really sort of how that segues from traditional finance.

**Burner:** I think that's been like a clarification point in our first lesson for folks. And on our last lesson, you know, our host Benny and I think [00:14:00] we had a Mikey from Orca, they had some really killer examples on the difference between like AMA AMM, AMM pulls and LPing and stuff like that. I don't think I'll dive too deep into that here today.

**Burner:** You know, a lot of these things that often sound complicated to folks are able to get simplified pretty easily

**Burner:** with the proper

**Burner:** examples. Yeah,

**Kemosabe:** with someone who's been working closely with it and can put it in layman's terms effectively, it's always nice to Nice to have. So you mentioned governance. Is, is your token a governance token?

**Kemosabe:** Is it an ecosystem token? How do you sort of, how do you see it?

**Burner:** Yeah. So we kind of see it as a twofold token, right? So the token is going to come out initially as a governance token with the launch and we'll form our Dow. And basically we want people who are not only going to be using the platform heavily, but also involved with our community to be holding this token and forming our DAO and so we as a team have some ideas that we will suggest But we'll be open to initiatives, of course from the community as well So basically the once the DAO is formed We're going to [00:15:00] have a collective vote on basically the ideal way to integrate the token with our, vault and strategy Ecosystem, right?

**Burner:** So, I mean there's a few ways of how that could manifest You know, whether that's like another vault relation to the token or that's you know, part of the yield is going back to the token holders or there's, there's a lot of ways it can go, but we want folks who are using it to vote on it. So it's like a twofold part one governance, part two ecosystem integration.

**Burner:** All

**Kemosabe:** right. So if I'm understanding correctly, you have a couple of different plans or ideas that could all work. For sort of the long term health of the token, but you're going to leave that up to the community as to at which one they see is the best. Exactly. Sweet. Cool. Do you, is there anything that token DAOs maybe on Solana or in crypto at large you see get wrong?

**Kemosabe:** That you would attempt to not to get wrong.

**Burner:** Yeah, I think it's like you know, I think there's like basically three main points I would say would [00:16:00] be number one, healthy token distribution. I mean, that's like, not just with Solana, that's just like in general. Right. I mean, The best way for your token to do well is to have a healthy distribution, basically working the tokenomics out and taking the time to really dial it in, to ensure that equal rights are good, that it's balanced with vestings and the proper price and things like that.

**Burner:** So token, token distribution is a big one. I would also say to launch the token at the proper time, you know, so you want to have a community going and you definitely want to have a working product, or at least that's our, our view on it is Have that kind of established who will support the team and your idea, not, you know, lead to basically empty order books.

**Burner:** And you know, avoiding bots as best as possible and putting in those measures to prevent toxic inflows you know, later on down the line, I would say those are, those are, Pretty, pretty solid.

**Kemosabe:** Sweet. I just lost my train of thought, but Oh yeah. You mentioned having a working product before the launch.

**Kemosabe:** And you said, you mentioned that you're going to have your beta in two weeks. How do [00:17:00] you plan to roll that beta out? Like who is going to be closed? Who's invited to. Participate in that.

**Burner:** Yeah. So this has actually been like a bit of a I wouldn't call it a challenge, but basically we were having a lot more interest in our beta than we expected.

**Burner:** So it is going to have to end up being basically gated and we're kind of going to be rolling out how that access will work about like a week before. So basically it's limited access to the beta. And that'll be kind of a short thing. We kind of have everything dialed away, but we still want to have this final, like beta round, you know, just to make sure everything's all sealed up, but it's, it's pretty, pretty close to deliverable.

**Burner:** So it'll be a short beta period. And then we'll, we'll, we'll roll into the launch pretty quickly.

**Kemosabe:** Awesome. Are there, is there anything in that beta that you're looking to test specifically, like UI or risks or any of that?

**Burner:** Yeah, I think mainly just like UI and any, any bugs that pop up for folks or things like that.

**Kemosabe:** Sweet. I'm curious, do you have an audit or do you plan [00:18:00] to have an audit before the beta or during it?

**Burner:** Yeah. So the audit will be during the beta and before the main beta. Okay,

**Kemosabe:** sweet. Awesome. I think really only have one more question and then I can toss it over to Slork. Is there any new developments?

**Kemosabe:** I guess two parts, any new developments in DeFi as a whole that you see is particularly exciting. And then maybe, is there any developments on Solana that you see as a unique?

**Burner:** Yeah. I mean, you know, it's not too exciting, but I think one unique thing with Solana is just, you know, how cheap and fast everything is. I mean, you know, compared to paying large fees and the delay times on a lot of other chains, I mean, it's, it's not too exciting point, but I, every time I use anything on Solana, I'm reminded of basically why I'm spending all my time here.

**Burner:** You know what I mean? I mean, I know there was like, like you suggested, you know, earlier, there's been some, You know, some things like congestion and you know, a few outages here and there, but from [00:19:00] an opinion is differ on that. But me personally, overall, I'm, I'm extremely bullish on Solana defy. And then the other thing you asked was kind of like a negative version.

**Burner:** I think you kind of meant like, what would be something I'm not too keen on that. I'm seeing or what was it?

**Kemosabe:** So the other question was like, is if there was any new sort of defy strategies as a whole, but anything that you're not too keen on welcome that as well. It's interesting to me,

**Burner:** honestly.

**Burner:** Well, yeah, that's what I, I don't know why I had that one in my head. I don't, I can't really think of anything in that way, to be honest, in terms of things you're excited on. I mean, I think basically, you know, the way our platform is built is we're basically just bullish on the whole emerging Solana ecosystem.

**Burner:** I mean, you've got you know, You know, Jupiter, everything Jupiter is doing is really impressive. So we're, we're really bullish on basically being built on top of this ecosystem, you know, our name is one of the moons orbiting Jupiter in space. So, that kind of pays homage to, like, our intentions on, on supporting these emerging kind of, what is the word? Bohemoth? Is that the word? You know, these giants in the space, and [00:20:00] you know, tapping into the, a lot of the incoming liquidity to provide, you know, more efficiency for folks.

**Kemosabe:** Right. Yeah, that's sweet. I'm curious. So, obviously Solana is very cheap and fast and lovely most of the time.

**Kemosabe:** Do you say you built on a theory? Would you see the transaction fees? And the TPS is a significant barrier to this protocol existing?

**Burner:** Were you saying if it was built on a theorem?

**Kemosabe:** Yeah, like, say that was, you know, slanted didn't exist. And you're like, ah, well, there's You know we'll say ELP instead of JLP or something.

**Kemosabe:** Oh, sure.

**Burner:** Yeah, I don't think so. I think it would just be different. I think it would be mostly different from the user standpoint. So when I speak to that, I think of how it would be for me as a user. From a team standpoint, it would pretty much work the same. You know, when you look at like GMX and GLP, I hope on your mic, the folks can hear me that I'm saying G, not J, right?

**Burner:** So like when you look to Arbitum, the GMX, GLP wars, you know, there was a [00:21:00] lot of different kind of like yield sort of like efficient ways of doing things over there. And that's sort of different than Solana, right? And it all worked out over there. I think it's just from a user. How you want to interact with it.

**Burner:** And I still use ETH and optimism and all these things, but I, I just enjoy using this a lot of the most personally.

**Kemosabe:** Yeah. Sweet. I think we can toss it over to Slur.

**Threefigs:** Yeah, just a second. Can I, can I just add something because I made some notes. So, yeah, 1st of all, yeah, our beta is going to be gated because, you know, we have like more participants than our capacity for the beta.

**Threefigs:** But still I mean, you can join our discord, you can get some role and you'll get a chance to participate in beat them. Right? So I'm not going to tell, like, why you need to. But trust me it's a really good option. Another thing yeah, another thing I don't want to say. Yeah. So first of all, our defy school is completely free.

**Threefigs:** All right. And it's like. Easy to understand, it's just like entry level. [00:22:00] So you can find the other friends there who, who would like to learn. We're here to teach you and we have a lot of speakers and let's say teachers that, you know, they are like explaining you everything. And What's really interesting here is that you're gonna get rewards for participating in the school.

**Threefigs:** And of course these rewards are gonna be great. Okay. And yeah, as for the beta, yes, we're gonna be audited by authors sec. And we're gonna start our backbone to program from the day one to make sure that, you know, everything is clear, everything is good before the public lunch. So yeah, thanks a lot for for inviting us.

**Threefigs:** And yeah, let's pass the microphone to, to Slark.

**Kemosabe:** Sweet. I like that you mentioned OtterSec they're pretty solid. Yeah, take it away Slark.

**Slorg:** Gotcha. So I just have a few questions about the general ecosystem at large, and then we'll end on some more specific questions about the, the platform. So first question is, how do you feel about the recent trend of people sending [00:23:00] untold sums of money to random Twitter wallets?

**Slorg:** Sorry, is that the question for us?

**Burner:** Yeah, I can type a sentence on that and then be MF3 fix if you have any other that's funny. Yeah, I don't know, man. I think it's kind of like

**Burner:** one little disclaimer I'll add, especially for people listening to like, especially if you're newer to the space. I think it's important to, while it's really important to make connections and friends to get the best information and expose yourself to the most information possible. I think it's also important to take a healthy filtering.

**Burner:** So it's like, there's so much stuff going on in the space constantly. And it's like, some of these things are just like ridiculous, you know? So that's one first thing slurred. I'll just say is it's definitely like ridiculous to see, but, you know, from like a more technical standpoint on like the ecosystem and how that affects everyone, I definitely think every time we see this happen, it's definitely kind of like not ideal for the space just because it's kind of like a a bad look.

**Burner:** I think the book of meme did great. I thought that was great and unique within the meme space. But then of course it sparks this [00:24:00] sort of like grifter trend afterward, you know, and I will get into the, the chain politics. Cause I'm personally not, I don't really have like a, I don't really care about all that, but you know, some people are like, Oh, is it, is it a, what is the word?

**Burner:** Is it a psyops or is it from to make things

**Burner:** look bad or whatever? But overall I think it's, it's yeah, just a little crazy for sure.

**Slorg:** Yeah, sure. So do you feel that Web3 currently has any products that can genuinely appeal to the masses outside of it yet?

**Slorg:** Other than cross border money transmission, which is sort of the, the big, the big one.

**Burner:** Yeah, that's pretty good. I think, you know, one thing I think is interesting is it's like being a parent in the sense that we're also in this ecosystem that we have our ideas of what, you know people, I guess you could say outside or I guess the masses would like, but then it's like, you never know what your child or your general public is going to end up liking on their own.

**Burner:** So I think, to give a general answer, like, I think providing a really broad [00:25:00] spectrum of stuff and doing it well will give us as an ecosystem, like the best opportunity for people outside of web three to get involved. To answer your question a little more specifically, like what do I think would be a good option?

**Burner:** I think things that basically integrate into stuff that people use often. And you know, to touch on like, sort of what you discussed before with like the pre sales or the memes. You know, a lot of folks look down on memes in the space, but I do think it is sort of like a Trojan horse of getting a lot of people in the space outside of Web3.

**Burner:** So that's kind of an interesting like juxtaposition there. You know, you've got like the, the what is it called? I don't know what it's called. It's like moonwalker or something. I think like getting paid for walking or little things like that are also interesting for like people who are totally not in the financial sector.

**Kemosabe:** So I just want to do a follow up there. Did you, so you kind of said if you build the best products for the people that are here, there's going to likely be some overlap in interest. Was I understanding that correctly?

**Burner:** Yeah, it's sort of like if people [00:26:00] within Web 3 are the parents and people outside of Web 3 are the children and you think of like how parents raise their kids, it's like you want to expose them to as much things as possible and whatever they get hooked on is like what they get hooked on, you know, we don't really know, like we're so deep in Web 3, what's exciting to us might not be exciting to people who like are outside of this.

**Burner:** But I think providing like a full spectrum makes it like, you know, as easy as possible.

**Slorg:** Yeah, sweet.

**Slorg:** What do you feel is the biggest constraint currently to growing the number of overall users in the space?

**Burner:** You know, I think a big part of that is like information too, you know, I think, and that kind of ties into like, you know, what we've been talking about with our DeFi school and not just with DeFi, but The space in a whole, you know, I think a lot of people are interested.

**Burner:** I think in the collective consciousness, crypto is definitely pretty out there by now, but a lot of people just don't understand it. So I think, you know, just really narrowing in on like education and, and, and kindness as you know, when we connect with folks, I think is, is important education [00:27:00] and, and

**Slorg:** kindness.

**Slorg:** As silly as that might sound.

**Slorg:** Gotcha. Do you think there's any other things sort of plaguing the ecosystem that are uniquely Web 3. 0 problems at this moment? Like, perhaps, like, I know there's scams in Web 2. 0, but the drainer problem seems particularly horrendous in terms of maintaining our user base.

**Burner:** Definitely. And I think that also ties into education, right?

**Burner:** It's like teaching people how to be safe. I think that The inherent risks with the space are kind of like at this current time, the other side of the coin of the inherent benefits. So I think it's, I think it's sort of a middle road when it comes to that.

**Slorg:** How do you make education palatable? Because it, I think universally to most problems it is a solution, but I don't think it's the only sort of solution. Because I would estimate there's maybe about 20 30 percent of people who are genuinely pursuing knowledge and trying to actively educate themselves.

**Slorg:** But that leaves the majority, unless you disagree with that premise, but that leaves the majority of people [00:28:00] just kind of susceptible to these things anyway. So how do we make education more palatable or are there other solutions in addition to education?

**Burner:** Yeah, I think I think that's an interesting point, you know, and not just in like decentralized finance But I mean, you know people aren't even like fully educated on like traditional finance and there's issues, you know currently there Oh, you know, I mean people getting their identity taken or social security or all these sorts of things.

**Burner:** So I think it's like Yeah, I think I agree in the sense that most people don't want to be educated on how to, you know, be about these things. But I do think it's a, it's a decent pillar of, of helping the space. I think to answer what you're kind of asking or reiterating though would be, I think also keeping things simple and clean, right?

**Burner:** So, I mean, making like easy UI and, making things as easy as possible for, for folks from like a technical standpoint as well.

**Slorg:** Gotcha. Are you guys also pursuing any sort of short form videos like TikTok or Google Shorts, because those are really like high [00:29:00] impact ways to reach the most amount of people that's, in terms of marketing materials and educational materials.

**Burner:** Sure. Yeah. You know, that's something we've been thinking about as a team. Different ways to do like videos and, and graph infographics and things like that. We might be outsourcing a couple video situations, but we are not on the TikTok wave yet.

**Slorg:** Gotcha. So it is pretty obvious that degens make up the majority of the population, the salon ecosystem.

**Slorg:** How would you pitch Adrastia to them? And also, do you have a pitch to Web2 people outside of the ecosystem? Yeah, I love that question. Thank

**Burner:** you. Yeah, so basically, that's what I really love about our protocol, right? Is we're kind of at this intersection of like, I think I've spent a lot of time speaking on education in our time here together so far.

**Burner:** So another thing I'll talk on is basically simplicity, right? So while we're providing this education we're also For folks who do want to dive deeper, our, our protocol is also definitely degen proof in the sense where it's extremely simple. So you'll go to our protocol, [00:30:00] and it's basically just a deposit, just a withdraw.

**Burner:** Something else we're excited to provide is there's no lockup fees, there's no, there's no staking period. So if you just want to try it out, you can hop in and out pretty, pretty quickly. Right? So I think sort of, we're trying to be in this middle road where when it comes to using our platform, any DeGen can hop in and it'll be basically the easiest access to DeFi yield strategies in the DeFi space.

**Burner:** Nothing is like to this level of automation and simplicity, but then, you know, to more experienced users in the place or people who are perhaps relating to crypto differently. They say, Well, this is too simple. And so that's where we provide, you know, all of this education and under the hood

**Slorg:** information on what we're doing.

**Slorg:** I hope that answers a little bit. In regards to projects or platforms or products in Web3, what do you feel is the responsibility of the core team? And what do you feel is the responsibility of the community?

**Burner:** Yeah, you know, I think I think just from like a more business standpoint, I think it's really important [00:31:00] from the core team to be connected to their community. So like constantly updating on the status of things being forefront when You know pivots are needed to be made or if there's any issues.

**Burner:** So mainly I think a responsibility from the core team, is basically just staying connected to their community and on the community standpoint, basically the opposite of that, which is making sure that the team is basically staying aligned to what they said they wanted to do and taking part in basically the initiatives that are being set forth.

**Burner:** Kind of a more meta thing I'd want to touch on really quick, right, is like, I think the concept of leadership in Web 3 is really interesting. And what I'll say to that, right, is when you think of decentralized or when you think of like a DAO, you know, I guess there's like sort of this idea that there could be like a leader or these types of things as like it's like taboo to say that, right?

**Burner:** Because you want everything decentralized, a DAO is, you know everybody. But I think leaders. And I think core teams are important because not there to control everything, but to set an example of integrity and honesty for their [00:32:00] communities. So I think basically after the protocol is launched, the core team has done that part.

**Burner:** I think it's a conversation ongoing between the users.

**Slorg:** You mentioned that one of the community's responsibilities is keeping the team aligned or true to their word or the things they said. What sort of leverage do they have to make this possible other than the team's desire to stay in Web3? Because it's been pretty common to see people attempt to cash grab or extract.

**Slorg:** Or it's very common to see NFT collections, especially those on the downtrend, to launch another collection and extract that way. What leverage does the community really have to keep the team aligned and honest?

**Burner:** Yeah, I think I think things like tokens and DAOs also add to this, right, because then there's like a financial weight that people are added.

**Burner:** So it's like, I guess that kind of just touches on what you're saying in the sense that if the team wants to continue operating and not have either their reputation or their potential. Product basically [00:33:00] financially nuked. You know, they kind of have to follow through. I do think NFTs are a bit of a different situation than DeFi protocols of the amount of work it takes to make a DeFi protocol.

**Burner:** Of course, there's tons of still illegitimate things coming out in that space as well. With NFTs, you add in the art aspect. And so it's like, that's a whole other conversation, but it's like something I don't even see really. Outside of like spaces here and there kind of talking with NFTs like what is the responsibility between like let's say a founder and a core team and the artist right and then especially it gets kind of messy when the artist is the founder so I think NFTs are a little bit different but but to give it to add to what you're saying that's that's what I would say.

**Slorg:** What do you think is the biggest problem facing DAOs on Solana or in general even why do you feel there's so few functional ones at this time?

**Burner:** Honestly I think that kind of like I feel like it's a bit of a emotional or like what is the word like, not super technical stance, but I really think a lot of it has to do with leadership. [00:34:00] I think that and I think that this idea with dows and decentralization that there's sometimes like a, a taboo with leadership.

**Burner:** Right. And I, and I don't think, and I just said this before, but I'll say it again, that, yeah. You know, in this space and really in all spaces, how it should be is that a leader isn't necessarily there to take control or make all the decisions, but it's to set an example. And when it comes to a Dow, that's basically on the values of the Dow and the integrity of the Dow.

**Burner:** And I think when you don't have this in a Dow, then it can get pretty messy. And I think values can get misaligned and I think also that as a collective we're, we're all trying in real time to mitigate and learn the best way to do these things because it is sort of a new thing. So, I think, you know, I think there's a lot of work to be done on DAOs and how they work, but I do think, Everybody is putting in their chip to try to make

**Burner:** it as efficient as possible.

**Slorg:** Who would you say your target user is that is where do you anticipate most of your user growth is going to come from existing DeFi users, Jupyter [00:35:00] users, the broader Solana community, et cetera.

**Burner:** Yeah. So, I mean, on the backend, we've had some pretty significant interest in people who want to use our protocol basically, you know, for the capital efficiency.

**Burner:** So I think there's going to be a pretty strong foundation of users who are experienced with DeFi and want access. To these yields and the way we're providing them because they are on chain. They are in, for example, the U. S. D. C. It's principle protected. So, so it's like people who use these strategies are definitely going to be a pretty big core of, of the users, but we're also trying to kind of like segue a lot of new people into defy with these not only high yield, but making it simple and automated.

**Burner:** So we hope to layer on top of this foundation crossing over from NFTs or people who maybe haven't tried DeFi before. So we're hoping to see a mixture of both, but I definitely think experienced users will be a big part of the protocol in particular's, foundation. But some of the ideas we have with our token we also hope will attract folks to be able to try out our protocol and get involved in DeFi in this [00:36:00] way.

**Slorg:** Can you tell me what Zealy is and what the The benefits and motivation were behind using it. Yes, definitely.

**Burner:** Yeah. I mean, Zili as a user, I'm not a, I'm not a huge fan. So there's like this wave of stuff right now, right. That I've used in a few different projects as a user. There's Zili. There's I think one called galaxy and then there's like grid, right.

**Burner:** Grid's a little different. Grid isn't like tasks for folks that haven't used it. Grid is like a, I don't know how to describe it, but I kind of group it with those other two. I think it's just ways to get communities more involved. I think they have different uses. So it's like I, I definitely think there's been some misconceptions with like different projects on the point of Zealy.

**Burner:** So now it's kind of like a meta, it seems like for a lot of projects to have a Zealy, like no matter what, I think that's not necessarily needed. I mean, if you're not going to spend time on, on making like fun quests or whatever, but it. It's just different ways to campaign with the community is how, is how I would say it's used.

**Burner:** Like, for example, right now, our DeFi 101 [00:37:00] school, the

**Slorg:** lessons are on Zili.

**Slorg:** Okay. Could you elaborate a bit more on what it is? Cause I don't know what it is. I saw Seb mentioned it somewhere, so I just, I'm curious.

**Burner:** Oh yeah, for sure. It's like literally like it's like a platform where you basically hook up either your wallet or your discord and you can do all kinds of different things.

**Burner:** So it's like, you can say like retweet this tweet and then it gives you like points and things like that. So what I've seen in other projects is they like stack XP, like in their Zealy for people. So it's like, You don't get a reward for each task, but you get XP. And then I guess these projects hint at like rewarding high XP users.

**Burner:** We haven't done anything like that. So when we do a quest, it's usually pretty intentional and we'll usually just give a role on the spot in our discord for people who complete that. So we're not like XP stacking or, or anything like that. Actually I like one of these answers in the chat from one of the people, bgrime800, he says, Xelian Galaxy are third party platforms to ensure social engagements from the community.

**Burner:** I guess that's a good way [00:38:00] of

**Slorg:** summing it up. Gotcha.

**Slorg:** So let's pretend you just launched. Given your proximity to Jupyter and the 0. 75 percent of your token supply, they'll be dispersed to the to the DAO. How do you see both communities working together to co create a shared future?

**Burner:** Yeah I think one thing, you know, is we just, we want to be a part of the Jupyter ecosystem and providing sort of a segue for people to enhance their yield and also to educate folks. Because I think a lot of people, you know, Jupyter is interesting because you have people who aren't even in this Discord who are basically always using Jupyter.

**Burner:** The perps and you have people who are like big JLP heads. And then I think a lot of people I see in this discord are more related to like jupe. Right. And so it's like jupe users and JLP holders don't always cross over. So I think by getting involved with the data in this way, it's an interesting way to kind of cross pollinate these little aspects within Jupiter.

**Burner:** And I think also it's kind of like a triple bullish situation, right? Because the users are going to be getting a higher yield on [00:39:00] their investment. Right. We're going to be purchasing more of the Jupiter's JLP and we get a portion of the profits to continue building So it's a kind of a win for all three parties involved

**Burner:** in our opinion.

**Slorg:** That ends all of the questions I think Kimo and I had for the first part of our AMA and I'll give you guys the option now Did you guys want to do your part two and three now or after Sanctum?

**Slorg:** What do you what do you think BM?

**Slorg:** I'm cool with just continuing with

**Burner:** us since we're already up here.

**Slorg:** Yeah, sure. We'll go into your part two now, which is your final statement to the audience and then audience. We will start letting you guys up to ask questions. If you're a cat debt or a cat of culture, otherwise, please post your questions in here to be read for the Adrastia team, so guys take it away.

**Slorg:** Say your, your final statement to the, to the down.

**Burner:** Yeah, I'll go real quick and then we'll see if our founders have anything to say. Okay. You know, there's a lot of information getting shared and there's still even some things I feel like we didn't touch on here today. So for you guys listening, you know, [00:40:00] definitely hop in our discord.

**Burner:** We're available all the time for you guys to learn more and to reiterate, in essence, what we're doing right is we're building simple automated yield strategies. We plan on being a pioneer platform in the Solana space for this, and there's no platform currently providing like a wide spectrum DeFi yield automated strategy system like this.

**Burner:** Basically what that looks like, right, is getting higher yield on your JLP, higher yield on your USDC, and it's automated and it's you know, minimal risk as possible. So, you know, we're happy to provide that. We're happy to be an educational pillar for DeFi in the space, and we welcome everyone to come learn and hang out and do all the things.

**Burner:** BM and three figs. If you have any closing statements before they ask us some questions, feel free to tap in.

**Threefigs:** Yeah, I think that it's still early with address TIA. So you can, you know, participate and take this opportunity from the market. And I also believe that we, like as a protocol, we are adding a lot of value to Jupyter, and, Like basically address T will [00:41:00] help to, you know, grow the volume at like make Jupyter more liquid.

**Threefigs:** And it's like kinda like win win story for both us. And Jupyter, we think that we're building really essential products for Jupyter. So, yeah. If you have time if you're interested join our discord and grab the role and participate in our beta, that would be amazing. But I'm sure.

**Slorg:** Okay, fantastic. So yeah, everyone hang tight. We still have the Sanctum AMA after this, the Sanctum portion. Sanctum, if you're in here, feel free to request. I'll bring you up. In the meantime, anyone Oh, there he is. In the meantime, anyone who wants to come up who's a cat dead or cat of culture to ask them a question, you're free to do so.

**Slorg:** Otherwise, post your question in the chat, and I will read it on your behalf. So now is the time for audience questions. If you have anything you want to ask, address the I did see one above from CatDeadNamedIVs, so I'm just gonna read it on his behalf. How are you planning to stand out in a sea full of competitors and [00:42:00] projects? What's unique about your project that's not in other DeFi's?

**Burner:** Yeah. So on Solana, you know, we don't really feel like there's any like a major competition for what we're doing right now, because we're providing fully automated DeFi yield strategies. And it's not just the leverage JLP, but there'll be an expansion of like a full risk profile situation. I, I don't.

**Burner:** There's really nothing I could really compare it to at this time. That would be like a significant competitive, there are like, you know, some manual strategy situations, but I think that's not quite ideal for all users. So, I mean, in terms of like a full spectrum, full risk profile platform with multiple automated yield strategies currently, On Solana, there's nothing like this.

**Burner:** So we feel good to be one of the spearheading of this, of this space in that way. Of course, there's tons of different lending and borrowing things going on in DeFi right now, but we don't feel like that's necessarily like a competitive thing. And I think, you know, from a, from a social standpoint, we have no interest in really competing.

**Burner:** With anyone we'd like to connect [00:43:00] with as many DeFi protocols as possible and from like a TVL competition standpoint I don't really feel like in any way we're bearish on like the most cutting edge of the financial sector in the world really. I think I think everything looks pretty solid from our end.

**Threefigs:** Yeah, I would also like to add 1 more thing. Yeah, so, like, many community members they compare us to, AMMs, for example, Orca and they say, like, well, you can, you know, provide like liquidity to to Orca and that's great. Basically the defy strategy. So like basically like these strategies are like a bit different.

**Threefigs:** So they are they can experience for example, impermanent loss, and they are different, right? So you need to kind of manage it and it's, it's so difficult. And to be honest, like return returns are going to be less than if you're going to use address tier and address tier is building completely different project product.

**Threefigs:** [00:44:00] And it's more about, you know, building on top of Jupyter and providing like high yield strategies, right? So yeah. As I'm always saying, jump to our Discord we have all the infos you can learn, you can ask, we're always happy to answer, we have a great team, and you know, everyone is happy to help you, educate you, and like, explain the main difference to any other protocols on Solanum.

**Slorg:** Alright, I think I'm going to ask one or two more questions before we pivot to the Sanctum portion of the AMA. Okay, so I see someone asked. Are competitors, Kamino, Hawksight, Armada, etc. for vaults, aren't these guys automated too? Trying to understand.

**Slorg:** Yeah, do you want to speak

**Burner:** to that ThreeFigs? I'm scrolling through something in here too. There was a good question a while back.

**Threefigs:** No, no, no, of course. Yeah, so the point here is that we are building ultimate strategies. They're going to be like one click strategies, right? So you're going to have like two vaults.

**Threefigs:** If we're talking about our leverage strategy you provide two vaults. Like, use the T or sorry, use the C [00:45:00] liquidity or Joe P liquidity. Right. And like, this was, they like, kind of like rebalance all the time and they're making sure that use the C is state principle protected while well Joe P is not opposed to liquidations.

**Threefigs:** So it's kind of like, you know, rebalances, like, if, for example, if we don't have enough liquidity into use the C wall, then we're basically going to. You know higher day API for you to see wall to like, to kind of like bring more liquidity to that and like, vice versa. Right? So like in general, if you want to build a complex, if you want to execute complex defy strategies, it takes a lot of time and a lot of infrastructure for you to build.

**Threefigs:** But I mean with address here, you can do it like easily just one click and, you know, that would be easy for the most of the public. Okay. So yeah, that's basically it. That's the main difference.

**Slorg:** Gotcha. I'll ask one more question. So post your questions in the chats. Just because there's so much chat volume, I can't really scroll [00:46:00] up through all of it. But yeah, if anyone has a question, please ask now. I see Tim is typing.

**Slorg:** Oh, it's on Tim. Yeah, I liked him the last time. Hi, I'm Tim. Tim, Tim's a solid community member. I see him at most of the AMAs.

**Burner:** Yeah, sorry, thanks 3FIX for covering that. I'm like scrolling through, there was like some really good questions like right when we first started, but I can't even, it's like taking forever to get that far back.

**Slorg:** Yeah, Tim's still typing, I'll let him type, I assume he's typing a question, so I guess we'll end on that and then we'll transition to the Sanctum AMA. Tim, you stopped typing, bro!

**Kemosabe:** Oh!

**Threefigs:** So there is a question what's the fee structure? So, basically once we launched the protocol, it's going to be 0 fee structure.

**Threefigs:** Right? But like, as we're going to evolve and develop like, maybe, you know, any members, they can make a proposal so we can collect some fees and then, like, there's going to be another proposal on how to distribute or spend this fees. Right? So Yeah. So as [00:47:00] DAO can vote on token utilities, they can also vote on the basically the fees, right?

**Threefigs:** So yeah, but we will start with zero fees just because we believe it's, it's a good way to start

**Kemosabe:** the protocol.

**Slorg:** Gotcha. Okay, we'll just give them another 30 seconds or so to finish typing out.

**Burner:** Yeah, and so just to reiterate too, you know, it'll be extremely simple for users but then of course folks who want to understand more about like how we're doing these automations under the hood, all the info is available. And you know, one thing that isn't being asked directly but I feel like a lot of these questions lead back to is like, why automated versus manual?

**Burner:** So I think one thing for manual strategies, it's like, that's like a v1 of Basically tapping into yield efficiency. And so basically with our automation, it's kind of like a V2 that basically I think in the future, a lot of things will move towards more automation. And I think manual strategies are kind of directed towards one type of user, which is basically folks who are really active in the DeFi space and [00:48:00] like using, protocols and spending a lot of time on them where automation can come in handy is basically for users who don't want to mess with all this stuff.

**Burner:** So if you don't fully understand, for example. Everything we're saying, but you want higher yield. Automation is a great option for that also for users that maybe have large bags, but they don't want to spend all their time on defy protocols. It's a good way to park your liquidity and not have to monitor it because of the automation.

**Burner:** So that's kind of like a simple way to explain why automation verse a manual. And it's kind of like, You know, just different things really that both have their pros and cons, I would say. I have one question from Tim. Oh, go ahead. Go ahead. Kimo.

**Kemosabe:** Do Tim's first. Mine's kind of out there.

**Burner:** Sure. Tim said, as the USDC vault increases, the USDC utilization will decrease.

**Burner:** So how will you keep a competitive yield or do you think that it will reach equilibrium? So, yeah, so that's another thing when it, when it talks about like when we've talked about some of these other things like You know, like Camino, whoever who's [00:49:00] doing like manual strategies, like USDC yield is always fluctuating across the space.

**Burner:** So it's hard to pinpoint what ours exactly will be and how that competes with other folks, but based on our maths we have with our vaults, we're pretty confident that the USDC yield on our protocol will probably be the highest on Solana, or if not the highest at any given moment, it'll be very close.

**Burner:** And basically everything is rebalancing in real time. And I think it will reach equilibrium pretty quickly. It's not like these pools that you've seen in the past where it's like if everybody jumps in it. The APY is going to disappear because of the synergistic. Way the two vaults which would be our JLP and the USDC the way they work together.

**Burner:** They'll always be a relative Equilibrium if we were to get a huge influx of TVL I'm sure there would be some reduction but thankfully by building on top of Jupiter the JLP real time APY Kind of carries it. So really I think To point out like a Something there. I think the, the real [00:50:00] time JLP yield is one thing that really impacts our yields.

**Burner:** So that's something to look at as opposed to the USDC.

**Kemosabe:** Sweet. My question is, is there any hot takes that you have that might be, I don't know, somewhat controversial or out there or a little bit crazy about crypto or Solana in general?

**Burner:** Sure, bro. I'll answer to this. I've never gotten to give a little rant on this, but I'll keep it short. I'm sure the same thing you guys want to get up to.

**Burner:** I think. That I'm pretty bullish on everything that's happening in web three, but I think in the scheme of like humanity, I think the overall decentralization space is going to change a lot. I think from like a human standpoint, in essence, the real gold nugget from crypto that we've discovered is that by using technology and social energy, we can create value.

**Burner:** So I think we're kind of pivoting from seeing money as like a physical thing to money as energy. And all folks know that. Energy in the universe is unlimited. So as the human race, I think [00:51:00] that essentially, you know, by using technological and social energy, we're going to be able to tap into a really fair value and a way to really balance things across the board.

**Burner:** I don't see that happening right now, like whatsoever, but I, that's my grand vision of like why I'm even in crypto in the first place. Everything that's happening now is just like super like prequel grassroots to you know, really we're almost like on a tail end of like. Traditional finance. I think like real decentralized finance and real like quality of money as energy will probably come later down the line But that's my like as weird thing as I could possibly say so feel free to fuck with that or judge it It's all it's all open for interpretation

**Kemosabe:** I can compound onto that and then we'll move over.

**Kemosabe:** But I think my outtake is that if a crypto succeeds, there's just not going to be any more currencies. And I'll let everybody. Yeah. That's kind of currency. And yeah, cool.

**Threefigs:** Do you think cats gonna be using crypto one day or not? Cats [00:52:00] like actual cats. I think so.

**Kemosabe:** Yeah, I mean, I think so. Definitely, you know, maybe it'll be like a little more transactional relationship between all the cute little kittens

**Kemosabe:** Cool well, this is a great AMA. Do you guys have anything else you guys would like to say before we kick it over to Sanctum?

**Burner:** Just one quick little, little goodbye. Just thanks again, Slorg and Kimo for the time. Thanks to the audience for tapping in. Of course, hop in the discord and you know, sometimes when it comes to DeFi stuff or yield stuff, it can sound complex, but truthfully, it's like really straightforward and simple.

**Burner:** We're, we're building this stuff on top of Jupiter. It's providing higher yield and we're pretty bullish and stoked to be able to connect with you guys in this way and we're totally available for any more questions you have down the road.

**Kemosabe:** Awesome. Cool. All right. I'll give this little sanctum intro.

**Kemosabe:** Are you good to

**Slorg:** go? Do you want to bring up any other team members or will it just be you? Yeah. Floor Pricely. I believe that's your full name, right? Floor Pricely. Or does that make sense to someone

**FP Lee:** else? Can you guys hear me all right?

**Slorg:** Yeah. [00:53:00] Yeah.

**FP Lee:** Yeah. No, it's just me. It's just me here on the speakers list, but the team members will be in the town hall just answering questions where they can.

**Kemosabe:** Okay. Perfect. Sweet. All right. Let's see. So Sanctum is a project that aims to make all of Stake's sole liquid supercharging Solana DeFi and improving both users yields and the overall Solana user experience. They've been building Liquid staking solutions for over two years. If I remember correctly, I think you guys used to be called Sotion.

**Kemosabe:** And if you've used an LST, you may have used a solution they've already built. They aim to unify the liquid staking, sorry, you know, liquidity behind all the LSTs, creating instant liquidity and ease of use across all of Solana DeFi. I don't know if there's anything you want to add to that and then give yourself a little introduction and maybe a little history Sanctum.

**FP Lee:** No, that was, that was great. Thank you, Kimo. Yeah, you know, we've actually been building for something like three years, like February 2021. And if [00:54:00] you've used any LST, you've definitely used Sanctum because you know, so Jido Sol, you know, B Sol, You know, they all use this SPL stake pool program and we actually helped to write this program way back in 2021.

**FP Lee:** So we've been here building on liquid staking since 2021. We used to be social, right? Just running a stake pool. We realized that the stake pool wasn't big enough. We wanted to do something that was truly sort of groundbreaking. That's why we, we built this unified liquidity layer so that all the rest of the stake pools could, could go big Some

**Kemosabe:** I think we'll toss it to Slorg first this time, and then I'll go second.

**Slorg:** Yep, we'll switch things up a bit. So just to start at layman square one, why should people even stake their soul? Because I want to hold my soul and I want to trade my soul and flip these meme coins and make 10 million percent profits, right? If I lock my soul up for seven percent APY, I'm kind of crippling my ability to do that, right?

**FP Lee:** Yeah, that's a, [00:55:00] that's a great question, and for the longest time, right, this is the, the fundamental dilemma that people face, right, which is that, as you said, right I want to help secure the network, right, I want to earn 7%, but at the same time I kind of don't, right, I want to, you know, do all those shitcoin things that you said and move it and flip it and so on, right, and the promise, the promise of liquid staking tokens, the promise of these LSTs, right, is that you, you really can do both.

**FP Lee:** So if you think about staking as locking your, your soul into a vault, like gold bars into a vault and locking door and stuff, right? A liquid staking token is basically like a piece of paper, like an IOU over the gold bars in a vault. And the idea is that the liquid staking token is just as easy as soul to trade around, to flip, and so on.

**FP Lee:** And so you're able to do both things, right? Both get You know, the yield from trade from staking and do all these other things that you want to do with your soul, right? So that's that is the promise of liquid staking tokens.

**Slorg:** What is the current? What is the current breakdown of Solana and [00:56:00] ecosystem?

**Slorg:** Like what percent is staked? What percent is unstaked? And then what percent of the the state is liquid staked?

**FP Lee:** Yeah, great question So We have of a hundred, you know, hundred soul, right, about one third is not staked. So that's just regular soul. And two thirds is staked, right? And within that two thirds, right, there's five percent of that, right, that is liquid staked right now, right?

**FP Lee:** So it's something like 3. 3 percent of total soul is liquid staked. And let me just send you guys a pie chart in a bit. Yeah.

**Slorg:** Why is that number so low? Like, that's, that seems extremely low.

**FP Lee:** Yeah, it is. And truth be told, I, I wrote, you know, we've been thinking about this for years, right? And I think the answer is that Steak Pools, right, by Steak Pools, I mean Marinated Jeeto Soul Blaze, etc.

**FP Lee:** You know, just do not appeal very much to most users. And that's the answer I think I can give you.

**Slorg:** I saw a quick audience question. Someone's asking, I [00:57:00] assume a lot of people are thinking it. So, what is the difference between liquid staking and traditional staking?

**FP Lee:** Right, so, you know, traditional staking is, as I mentioned, you put your soul, you lock it up, right, the gold bars in the vault and so on.

**FP Lee:** Right, and, and, And liquid staking is when you give your soul to a protocol, that protocol helps to, you know, put the same thing, do the same thing on the backend, but they give you a piece of paper, like an IOU, right? In this case, IOU is LST, right? mSoul, bSoul, gDoSoul, et cetera, right? And with that IOU, right, that is a, that is, that, that, that token is a piece of paper that you can then move around easily without Accessing the gold bars inside the vault, which is, you know, very hard to access.

**FP Lee:** So the idea is that liquid staking will just allow you to to do all the things that you You you want to do with your soul, right? But also at the same time earn staking yields.

**Kemosabe:** I'm gonna follow up there So with traditional staking as I understand there's a about a two day period for you to get your funds back from the validator Right.

**Kemosabe:** And, and with liquid staking, you don't have [00:58:00] that. Is that correct?

**FP Lee:** Yes, that's correct. That's one of the key reasons why liquid staking has a potential. Okay, cool.

**Slorg:** So effectively liquid staking gets you the benefits and benefits the network as well of traditional staking, but you also are able to do all the fun sorts of things that you want to do and participate in the economy simultaneously, right?

**FP Lee:** That's the promise. Yes.

**Slorg:** Yeah. I guess. What are the risks of this then? What are the downsides, or are there only upsides to it?

**FP Lee:** Oh, I mean, yeah, for sure there are downsides, right? One of them is one of them that people always talk about is smart contract risk, and I don't think at this point, like, that is actually a problem anymore, right, because liquid staking, like, at least the contract that we helped to write That has been running on mainnet for two and a half years now.

**FP Lee:** That secures more than 10 billion. It has never been exploited. It probably will never be exploited. I mean, you never know, but you know, that it has been very, very battle tested at this point. And so it's one of the safest, I think, [00:59:00] smart contracts out there. But let me tell you also about one risk that does happen.

**FP Lee:** And this is the quote unquote DPEG risk, right? So liquid staking tokens, in order for them to be liquid, they need to have a big pool of SOL, right? So when you want to go from, for example MSOL or JITO SOL and you want to instantly unstake, right? There's no magic trick here. You know, you can't skip the two day wait.

**FP Lee:** But what you can do is if there's, is a pool, you need a pool of Solana, which is there to absorb the LST that you give it, M Sol, Jido Sol, et cetera, and give you the Sol right away, right? And in a case where there isn't enough Sol for that, right, then, you know, you don't, you're not able to get the benefits of liquidity.

**FP Lee:** And so then you're back to sort of like the native staking where you have to wait two days. Right. And so, many times when people sell in a lot of M Sol or B Sol, right, this causes the price to drop momentarily because there isn't enough sort of sol to service the, this kind

**Slorg:** of instant sale.

**Slorg:** Gotcha. What is [01:00:00] the What is the traditional version of liquid staking, and what is this version that Sanctum is proposing that I think you the words you use are it transitions from a PVP to a PVE dynamic?

**FP Lee:** Yeah, so let me tell you guys a little bit of a history lesson, right? So when we started building liquid staking on Solana, we didn't know any better, right?

**FP Lee:** This was 2021, very early days, and basically every protocol building was basically just And on Ethereum, you have this winner take all thing, right? There is one player in the liquid staking market. There's Lido, which is like, you know, all of the stakes, essentially, right? And and then there's like Rocketpool at distant second, and then there are these tiny, tiny competitors.

**FP Lee:** Right, and so everybody thought that liquid staking was a win or take all, and that's PvP, right? And there used to be two big players, Marinade and Lido and Solana. And then there was us, right? And then, because everyone thought, okay, this is a PvP game, right? So they are, they, they basically gave out like millions of dollars of their [01:01:00] token.

**FP Lee:** every single week in order to try and win the, you know, in, in order to try and do liquidity mining basically, right, to attract liquidity to their protocol. And so we looked at this and we said, I don't want to play this game. This is a zero sum game. It's all going to be found by Alameda anyway, right?

**FP Lee:** So let's try and take a step back. Let's try and, and, and let's try and think about like how we can actually, you know, solve this problem from the root, right? And the, the, the, the key thing that we realized is that the problem with. You know, the problem with liquid staking is liquidity fundamentally, as I said, you need a pool of soul in order, like, you need a strong pool of soul that's always available to accept the LSTs that are, you know, that are being sold on the market, right?

**FP Lee:** Now, the problem is that when everyone's fighting for this own liquidity pool, you have a very fragmented market, right? And everyone's trying to fight for their own liquidity. So, my thinking was, Instead of trying to fight for our own, you know, share of liquidity and paying millions of dollars to, to, to, to, to, to incentivize [01:02:00] this, why don't we build this unified liquidity layer?

**FP Lee:** Why don't we combine everyone's liquidity together such that we can all benefit? And so we did this, right? Like, that's what we have been building on and on for the past years. And now we have this unified liquidity layer. So it doesn't matter which LST you are, right? M SOL, B SOL, JITO SOL, LST, LANE SOL, whatever, right?

**FP Lee:** It doesn't matter, right? You can, you are able to tap into this unified liquidity layer, which is deeper than any single one, right? So that's the difference, right? And the difference here is that, you know, in, in. In Ethereum, right, or in Solana's old days, everyone's fighting for their share of liquidity, PVP.

**FP Lee:** Now we're saying, Hey, let's grow the pie together. Let's grow this liquidity pool together, right? Let's open it up to everybody. Right. And that's a PVE mode, right? Does that make sense?

**Slorg:** Yes. So So it creates the circumstances where much smaller liquidity, liquid staking tokens can still survive and participate.

**Slorg:** I [01:03:00] guess my question to you then would be, what's the benefit of having multiple, potentially thousands of liquid staking tokens on the market?

**FP Lee:** Yeah. Wonderful. Right. So you know, basically in the past, you know The barriers to entry was so high, right? When you have this fragmented liquidity and you cannot borrow other people's liquidity, in order to just start a liquid staking token, it's basically impossible unless you have millions of dollars, right?

**FP Lee:** So we raised like, you know, five and a half million, right, from investors because they invest, they, they invested in us and they gave us a lot of money in order to play this game, right? They wanted us to fight this war, right? We didn't want to. And so, you know, moving forward, now that we've unified it, you have all these tiny little LSTs that can, that can work, right?

**FP Lee:** And, and your question was, why, why, right? Why do we need all these tiny little LSTs? Aren't Jido and Marinate, et cetera, good enough, right? And to answer this, I'll give you sort of two reasons, right? First is that empirically, look, you know, with everybody pushing that, you know, all these big players with millions of dollars have been pushing all this, you [01:04:00] know, trying to get more and more TVL.

**FP Lee:** And after two and a half years, like You know, it hasn't moved. It hasn't moved at all, right? Like, it's been, it's been 3 percent and creeping up to 4 percent and, and this to me is like the, the proof, you know, is in the pudding, right? It's just like, people don't want state pools as much as, you know, you think that they do, right?

**FP Lee:** And, but in, but, Since we've started to launch all these new LSTs, right? So we've had, you know, before we had a few and then, you know, in the past month, we've launched something like 14 new LSTs, right? And with all these tiny LSTs, these new LSTs, you have an explosion of innovation, right? You, you're getting for, let me give you an example.

**FP Lee:** I think everyone here must have heard of BonkSol, right? Now, BonkSol in and of itself is not a stake pool, it's a, it's a validator pool. And the, the, the one sort of gimmick is that if you hold BonkSol, you get free bonk, right? And there are many people who would never consider stake pools before. But what, you know, not, let's say not the most sophisticated DeFi users, [01:05:00] right?

**FP Lee:** But, but what do they know? They know, oh, I love bonk. They know, oh, I love soul, right? And if I hold bong soul, it's like soul, except I get free bong, right? And so, you know, like this is a very different sort of value proposition, you know, from the original sort of stake pools, which is like, oh, you know, decentralize the network, blah, blah, blah.

**FP Lee:** Right. And that, you know, those are fine. Those appeal to a niche audience, but then we have bong soul, which is suddenly appealing to a completely different audience. Some, some, some non defined native people, meme coin kind of guys, right? Another one, like ReposaSoul, right? Hold ReposaSoul, get free coffee, right?

**FP Lee:** Again, you know, lots of you know, lots of interesting ideas there. And of course, we have these validator tokens validator LSTs, right? LainSoul, CompassSoul, Solana, like HubSoul, et cetera, et cetera, right? All of these guys are giving you, you know, sharing with you their block rewards, their MU rewards, and the yields are actually much, much higher than the ones that you get from Marinette and Jido, right?

**FP Lee:** And, and so, you know, Again, you know, it's not that Marinette and Gido don't have, like, a place in the ecosystem. It's just that now you [01:06:00] have a thousand different more choices for you to choose as a staker. Where do you want to put your soul? Now you have a thousand reasons to choose this LST, that LST. And you can see, like, the innovation, right, the competition that just goes way up, which is good for all of us.

**Slorg:** Okay, so with monopolized LSTs, like the case on Ethereum, you don't really have any options. You're just kind of subject to their rules and their terms and their value props. But with the unified liquidity layer, more LSTs can survive and compete, and even test new dynamics and value propositions, thus allowing them to appeal to more groups.

**Slorg:** Is that kind of the idea?

**FP Lee:** That's exactly correct, right? So in three years, like, where's the innovation from Lido, right? Lido's too comfortable, they do nothing, right? You know, but, you know, in one month, we've launched 14 different LSTs, right? Every single one is so competitive. They have to try all different things in order to get a stake.

**FP Lee:** They have to sing for their supper, right? So, so this innovation, this competition, right? This is something only possible on Solana. It's not possible [01:07:00] on Ethereum because you, you, again, you have this massive barrier to entry. Millions of dollars you need to put in before you can even start your LST. Here, you know, you can start with 2 if you want, right?

**FP Lee:** We, we handle the liquidity for you, right? So, so, That's exactly right. You know, like we have this fantastic Cambrian explosion of innovative new models, right, which is going to benefit consumer in the end.

**Slorg:** Gotcha. I saw a question I want to ask really quick, but does this increase decentralization long term? Does this possibly mean Solana will become more decentralized than Ethereum?

**FP Lee:** Oh, yes, absolutely. Right? So, if you, I mean, look at Ethereum. Ethereum is, Ethereum is just doomed, you know? It, like, it's, you know, you have, like, so, Proof of Stake Network, right?

**FP Lee:** Ethereum Proof of Stake, Solana Proof of Stake, right? You have one entity controlling 32 percent of the entire Ethereum supply, right? And at 33%, you have liveness violations, right? Technically, someone with 33 percent can cause the entire chain to just shut off. No, realistically, is that going to happen?

**FP Lee:** Probably [01:08:00] not. Right. But still, you know, like potentially that is. That is a problem. It's a huge centralization risk there. Right. And you know, like when, when we talk about centralization risk, right? It's not just about this theoretical attacks, right? It's, it's also the fact that, you know a lot, you know, what's, what is lid, what is Lido governed by the LDO holders, right?

**FP Lee:** The, the token holders, right? And you have these token holders, most of whom are VCs, right? Most of whom have. And these few VCs or few rich individuals are controlling the entire Ethereum blockchain, right? They have the fate of the blockchain, you know, in their hands. So this is a plutocratic governance layer that's holding the entire chain hostage, right?

**FP Lee:** And that's very dangerous, right? I mean, not to mention, of course, it's strangling innovation, right? As I said, right, they don't need to innovate because they don't have to innovate because they're just this massive monopoly fat cat, right? Just sitting there, right? Good for Lido, bad for ecosystem, right?

**FP Lee:** So, you know, we saw this, we knew that, like, we, we better not make, we better make sure this does not [01:09:00] happen to Solana. So that's why we built what we built.

**Kemosabe:** So I have a follow up there. I'm curious, does the so if every LSD on Solana is sharing the same stake pool, does that pose a centralization risk, though it is a little bit different than, Lido?

**FP Lee:** Yeah, so, yeah, it is different. So every single one of them is using the same program, right? But this, like, the, but the programs are controlled, you know, like, like, it doesn't, So, so basically, you know, what do we mean by centralization? The problem with LIDO here is that it's one entity controlling all the stake, right?

**FP Lee:** But the program is controlled by Multisig and it's going to be frozen in the future, so nobody will control that, right? The worry with LIDO is that if you have a lot of stake, you can then decide where does that stake go. You can choose to, you know, to say, okay, I'm going to delegate to this, I'm going to censor this, I'm going to, I'm not going to stake to this guy because he's, I don't like him, right?

**FP Lee:** When you have all of these different stake pools, right? All of these different LSTs, right? Then there's no [01:10:00] single one entity they can say, Hey, you know Amir, I don't like you. You know, I can't, I don't want to stake with you anymore, right? Because, you know, Amir from Solana Hub has his own stake, right?

**FP Lee:** You, you're not going to say, Lane, I don't want to stake with you anymore. You can't control it, right? Users are controlling it. Whoever is staking to Hubsol, to Lainsol, to Composol, they are the ones who control it, right? Right, so instead of one entity, marionette, judo, whatever, who is holding so much soul and deciding where to put in all that soul to validate it, we have, you know, millions of users collectively deciding where do they want to park their soul.

**FP Lee:** So it's, it's, it's massively much more decentralized.

**Kemosabe:** Sweet. What's the rough timeline on that program becoming immutable if you have one?

**FP Lee:** So it's, it's, it's a good question. I think we're, we're close. I think we would, as far as I would, as much as we would like to get it immutable, there are risks of the program being immutable, right?

**FP Lee:** So you are, you are balancing two risks. One is that, of course, if you, if you hold the program upgrade authority, then yes, there's a technically a rug possible. Right? But on the other hand, if you've immutable, if you made it immutable, and then there's [01:11:00] some, you know, Solana upgrades to 1. 22, you know, so two years in the future, there's some change, and then you realize, oh, you know, this change interacts with this program in a way that's, you know, makes, causes a bug or something, right?

**FP Lee:** And, you know, it's immutable, you can't change it, right? And, you know, that, that's, and that's a big problem too. That might be, yeah, that might be catastrophic. I mean, you know, I mean, okay, it's one of the most, like, used programs, so, like, probably nothing will break. They would make sure to check that it doesn't have, like, a regression or something like this.

**FP Lee:** But you know, that is possible. So, what I'm saying is that, you know, freezing the program has its own risk. It's not, like, freezing means, like, gold standard. Not necessarily. Right.

**Kemosabe:** Yeah. I think there's a pretty large general perception of freezing being a good thing. But, I think people kind of take The network itself as a, as if it is already immutable and it isn't.

**Kemosabe:** Yeah,

**FP Lee:** if the, if the network was frozen and the programs were frozen, great, right? Easy peasy, yeah. The network is a moving target, right? It goes down sometimes, it changes a lot, right? So is freezing a good thing? I don't know. Yeah.

**Kemosabe:** Yeah, yeah. Hard to, it's a hard decision to make. [01:12:00] Is this the same program as your original stake pool program that you built with labs?

**Kemosabe:** And is that program frozen or have you, played with that at all?

**FP Lee:** Right, so the initial stake pool program, the SPL stake pool program, the one that powers judo, solbi, sol, as well as all our partner LSTs that's not frozen. So none of the programs are frozen, to be clear, right? There we have actually a new program that's the infinity program that was a new program that we built.

**FP Lee:** So that, that is a new program and we needed to build a new program because infinity is, unlike any other stake pool, I mean, we haven't talked about infinity yet, but infinity is like the first LST of LSTs, right, a basket of LSTs. So stake pools can't normally hold other LSTs, right? We can, right. So, so that required a new program, new contract.

**FP Lee:** So that, so, you know, but you know, that's a little bit less battle tested, but of course it's been audited three times by the best in the business. So, you know, we, we, we, we, we, we trust it. Yeah.

**Kemosabe:** Yeah, sweet. You launched a, a program. I think it was, was it [01:13:00] you guys that did Unstake It?

**FP Lee:** Oh, yes, yes, yes.

**Kemosabe:** Yeah. How did that work? Could you detail that a little bit?

**FP Lee:** Yep. So again, right, the problem we were trying to solve was this liquidity mode, right? This fragmented liquidity, right? And we saw, you know, like Sabre pools, Orca pools, we had EMSL. So, you know, like, let's say for one asset, you have like Orca, Sabre, Radium, like all these three different pools, and then like multiply by the number of stake pools.

**FP Lee:** So you have like three times three, like nine, you know, 10, 20 different pools. And we thought this is very inefficient. It's, it's number one, it's fragmented. And number two, like you don't even need the other side of the pool there, right? Like, you know, this is a bit of a technical point. So bear with me, but like, well, you know, let's say you have got Jido Soul.

**FP Lee:** You know, you, you want to go from Jido Soul to Soul, right? You, and usually, you know, with like a, with like an Orca Pool or whatever, you've got half Jido Soul, half Soul, right? Well, the thing is that the Jido Soul doesn't even need to be in the pool. Because if you want to go from Soul to Jido Soul, right, it's very easy.

**FP Lee:** Just, just stake it, right? And you can do that in any size, right? So, so, so [01:14:00] it's, you know, whereas it's, it's really the Soul that matters. You really care about the Soul so you can absorb the Jido Soul on stake, right? And so we thought, like, what's the most possible, like, most capital efficient possible design, right?

**FP Lee:** What's the design that, that, like, is the 100%, like, right? best, right? So the 100 percent best solution is a single pool of Sol, right? It accepts every single LST, right? And it just, you know, it just does unstake and it doesn't it doesn't need to hold, you know, half of the assets. It doesn't need to be split into 20 different pools, right?

**FP Lee:** So it's the, like the platonic, the platonic ideal, I think of, of unstake pool, if that makes sense.

**Kemosabe:** Yeah, cool. So I have an analogy that might help people understand sort of the significance of this at least the way I see it I would and you can tell me if i'm wrong here so as fire dancer is to tps, I think this is to The solana's decentralization.

**Kemosabe:** Would you say that's accurate?

**FP Lee:** Oh, I love that actually. Yes. Yes. I think, I think so. Yeah.

**Kemosabe:** So yeah, the magnitude of this is [01:15:00] pretty intense. So we're gonna keep going.

**Slorg:** Yep. Just a couple more, then we'll pass it to Kemos section. So what, what is your revenue model? Are you guys taking a percentage of the validator commissions?

**FP Lee:** Okay, great. So we don't have a single revenue model. We've actually built like lots of products that are plugged in deep within the ecosystem and we get revenues there. So we have the, we have the reserve pool, which is a pool of soul that's just sitting there and accepts sort of unstake instant unstakes, supports instant unstakes from any LST and stake account, obviously that takes, we take fees from that that makes us money.

**FP Lee:** We have this thing called a sanctum rooter. router, right? Depends on what brand of English you speak. And that sort of powers, I think, a large proportion of swaps through Jupyter, right? So if you go on Jupyter and you, and you go from, you know, JSOL to BSOL or whatever, right, LANSOL to COMPASOL, a lot of times that's, it will say powered by Sanctum or via Sanctum, right?

**FP Lee:** We'll take like a fee on that as well. So we, you know, anytime someone [01:16:00] does a swap, they'll go through us. Infinity, right? Infinity is the newest the newest product that we've built. That one takes fees as well, right? We have an integration with SoulFlare. SoulFlare does instant unstakes on Dell Wallet.

**FP Lee:** We have a, we have take fees as well, right? So we have multiple ways of taking fees across the ecosystem. Now, your question was, do we take with the validated LSTs? Currently we do not. We are really interested in working with these partners to just grow them as, as as, you know, as large as possible.

**FP Lee:** Now, Will we ever take fees in the future? I can't say for sure, but right now we do not.

**Kemosabe:** Yeah, that's interesting. I really enjoy Sort of the micro transaction like we're even smaller than maybe nano transaction model There's a lot of smaller protocols that are experimenting with it and I think when you have Pretty significant volume.

**Kemosabe:** It can actually be pretty big and I like that you have an Attach yourself to the validator rewards because that kind of opens up the playing field for validators themselves [01:17:00] to do well and experiment with incentivization.

**FP Lee:** Yeah, I mean, I will say our router has done fantastically well, right? So you know, on Jupyter, we've done like half a billion of volume, right?

**FP Lee:** And, you know, on every kind of swap, we're taking fees on that as well.

**Slorg:** This is a question I posed to Adrastia, but what do you feel is the biggest constraint to growing the number of overall users in the space?

**FP Lee:** I think it's, honestly, I think it's UX. I think, like, I, you know, I've been in this space for three years, right, building, and I think Solana actually has a great, It's a great wallet like phantom and stuff, but even that is not enough, right? Like I've told them about my project and they get really excited.

**FP Lee:** They're like, oh, yeah, you know, this sounds great How do I support and I was like, oh, yeah You know they go to the app store download phantom and then they open it It's like okay sure and then they download it I was like what the hell is this seed phrase thing, right? And then that's like it gets stuck It's like, you know the moment those 12 words come up, you know on their phone and they think they have you know They know they have to write it down on the paper somewhere.

**FP Lee:** You've lost them You know what I mean? [01:18:00] Like, it's, it's like, oh, I'll do it later. And then, you know, it's over, right? So I think that is, like, the, the, like, the biggest, biggest, biggest problem. And that's why centralized exchanges are so popular, right? Like, because, you know, there isn't this, like, fun for, you know, fumbling around with this secret phrase kind of, kind of business.

**FP Lee:** I mean, like, You know, self custody, super, super important, but like the UX needs to change. We need a better way, you know, for people to do it rather than, oh, write down your seed phrase on a piece of paper. Like, that's just not going to work. So that's what I think the largest, I mean, in my experience, trying to sort of tell people to join in, right, that's always the biggest

**Slorg:** blocker.

**Slorg:** Yeah.

**Slorg:** What is the purpose or use case of your token? Is it going to be a governance token?

**FP Lee:** Yes it will be a governance token. I actually have written like a little tweet on, on what I think, you know, governance tokens are best used for. I've learned a lot from how Jupyter does it, right? And, you know, I think, so three lessons I took away.

**FP Lee:** The first lesson for Jupyter is that don't be in such [01:19:00] a rush to decentralize, right? And You know, and they execute, you know, Jupiter, what I remail had opposed to say, we are not building for one year, two years, three years. We are building for a decade, right? 10 years at least. Right. And I think we, you know, I've, we've been building for three years.

**FP Lee:** We're going to be here at least, you know, another three more, but looking like 10 years. Right. And so, you know, if we rush to be like revenue sharing or we, we ask the, you know, community, Hey, what should we build next? Or like, you know, how should we share fees? Like, I think this is a, this is a distraction because you know, we are building foundational infrastructure here, right?

**FP Lee:** We, the first and most important thing, right, is to secure the long term future of the protocols development. Right. And then once we do that, then we can promise like, okay, you know, let's, let's open it up. But I mean, to be frank, right, you know, having been in this space for so long and having thought about this, you know, day in, day out for so long, I, I think I know more about liquid staking of Solana than anybody else.

**FP Lee:** Right. And so, you know, I'm, I'm not about to sort of tell, you know, let people tell me what, what I should be doing next, because I think I know better. [01:20:00] Right. You know, I know it sounds a bit braggy, but it's just true. Right. So, second thing, right, you do not, you want your governance, give people something really, really meaningful to do, right?

**FP Lee:** A lot of governance, at the end of the day, it's just, it's just bribing markets, it's like vaults, I mean, what, what is it? Like vaults and gauges and bribing and all this stuff, right? And this is, you know, Okay. I mean, this is fine, but I think if you do that, you are dead. You know, like this, like, this is, this is moving from a, like, let's grow, like, let's grow the space.

**FP Lee:** Let's grow really big. It's moving from growing to like, oh, let's, let's sit back and take profit. Like, let's play these little games about like, oh, let's point this soul and that soul. You know, like, I don't want to do that. I don't want to do that right now. I want to grow sanctum, grow from 5 percent to 100 percent of liquid stakes.

**FP Lee:** So, right. There's so much more to do. Right? And what I love about Jupyter is, you know, we're here right now, right? Like Jupyter, they use this utility, you're giving people some real, like, real meaningful stuff, right? Voting on the next project that can come onto LFG. Every single one of these [01:21:00] projects that come onto LFG and, and, and gets voted on, right, they have the potential to be the next Jupyter, to be the next unicorn, to be even bigger than Jupyter, even, right?

**FP Lee:** So I think that's very meaningful, getting people to vote. Right. So giving people something really useful to do and meaningful to do, right. That isn't just playing all these, you know, games with, with, with the gauges and the bribing. Right. And the third thing I would say, right, is, is, you know, like, do not, I would say, keep it simple.

**FP Lee:** Right, you know, like, two years ago, we had this, like, crazy VE curve. I don't know if you remember, like, you know, log for three years, you know, this curve model, right? Log for one year, you get VE curve tokens, three years, five years, blah, blah, blah. Right, what I like about Jupyter, they kept it simple. You know, log for 30 days, linear unlock, beautiful, right?

**FP Lee:** Like, don't, don't, you don't need to, it's a, it's a show of strength, right? You don't need to over complicate it. You just say, hey, like, our product is really good, you know, you can sell the token if you want, you're going to regret it in five years. Right? Like I don't need to lock you up. You're going to regret it anyway.

**FP Lee:** Right? So I really like that. So those are, those are my three takeaways.

**Kemosabe:** Yeah, [01:22:00] that's interesting. I really love the point that you made about decentralization, decentralization over time. I think like almost every token DAO that's existed has, oh, I say almost, but there's, there's a few good ones, but almost everyone who launches.

**Kemosabe:** And especially on Solana, it seems you've gotten caught up in the idea of, like, decentralization from the get go. And like, those things, like, that's not how humans work. Like, it takes time to build all these systems, you know. Bitcoin started centralized, right? Like, every blockchain, every protocol, everything has always started centralized.

**Kemosabe:** And I think like the, the, there's a few tokens and DAOs that launched in early 2022 that sort of were like, all right, all the tokens are here and now we're going to vote on everything. And it's like, well, you didn't design any meaningful systems for people to participate in and contribute to. And.

**Kemosabe:** Build together over time. So I really, really enjoy that answer.

**FP Lee:** You're, you're, you're absolutely right. Lemme just add like one short thing, right? Which is that it, these, there's some things where you want, you want to sort of [01:23:00] decentralize from the get go. So for example, our, Hmm, by program, right? That is under multi-site, day zero.

**FP Lee:** Right. Like no, no compromises there. Right. Because of, you know, obviously, right. Your safety is paramount. Right. But at the same time, I look at Jupyter, you know, we have these working groups or stuff. There's a lot of decentralization, but Jupyter is not asking like, Oh guys, how should we design our routing algorithm?

**FP Lee:** You know, that's not something that 99. 99 percent of people are not going to have a better answer than, than Jupyter team themselves. So obviously this is not something you decentralize. Right. Things like almost like, you know, how do we charge fees? That's also, I think, a business decision, right? Where you have a lot of strategic context and a long enough time horizon, right?

**FP Lee:** Like, if you're a token holder, you're investing, you're like, oh, give me, give me the money now, right? But if you're a founder, if you're Miao, you're thinking, I need to hire for five years, ten years, right? I don't want to give up the, the revenue to token holders, even if it pumps the bag in the short term, right?

**FP Lee:** So there are a lot of things that, some things should be decentralized from day one, some things should be decentralized, like, you know, only, only, like, far into the future, yep.

**Kemosabe:** Yeah, it's one thing to decentralize critical risks from the [01:24:00] get go, but the other side of it, the more subjective stuff, the more people building and community building and you know, just sort of co creation is something that

**Slorg:** has to take real human time, all right, I have one last question before we pass it over to Kimo's section. What would you say is your biggest obstacle as a, as a product?

**FP Lee:** Hmm, that's a great question. You know, one thing I sort of always, always, always like, admire and envy Jupyter for is like the project is such a retail, you know, like people just get it, right?

**FP Lee:** Like you don't even, what the hell, you know, people don't have to explain it, you know, you go to jupe. ag, right? Very short link, very nice link, and immediately the value proposition is right there, right? Buy, sell, token, right? And, you know, for a long time, you know, we don't have this retail, we don't have a strong user touch point, right?

**FP Lee:** We've been building fantastic infrastructure, you know, infrastructure that underpins, you know, like it's systemically important for every single LST on Solana, right? That's causing the smooth functioning of, of, of all [01:25:00] LSTs that's making all these borrow land protocols. Like, why do you guys think that?

**FP Lee:** These borrow land protocols can be, have like billions of dollars in, in TVL. It's actually because sanctum has, has joined the liquidity underlying it, right? So that, you know, they can do these like big, you know, liquidations if, if so, price drops, right? This is what we have done and we have done really good work.

**FP Lee:** So the people in the space, like insiders, founders, et cetera, defi founders, they know that we are so good, but that, you know. But again, like we, we didn't have a product. We don't have this, you know, product that people can use every day, right? All this infrastructure is all in the backend, right? So that is, I think, my biggest obstacle, right?

**FP Lee:** How do I explain to, to retail who, who are not such DeFi insiders, that Sanctum is systemically important and doing good, right? And that's where we have this, you know, idea of like, Hey, let's bring LSTs to the world and let's, let's help other people, you know, Do our distribution for us in some sense, right now we have infinity.

**FP Lee:** So that's a good, like a pretty good sort of retail. You know, thing that people can go in but still, like, I'm always going to be [01:26:00] envious of Jupiter because like, you know, you maybe you deposit into a sanctum like once, right? But then you, how many times you're using Jupiter a day, like possibly a hundred times, right?

**FP Lee:** So that's, that's something that I would say is a big obstacle getting that, that message out, getting message out to retail, I would say. Yeah. Take

**Slorg:** it away. Yeah,

**Kemosabe:** I think you've answered quite a few of our questions or my questions just in the back and forth, but I'm curious about the projects that you've already launched with Sanctum LSTs. Is there any of those that you're particularly excited about? And maybe is there any upcoming ones that you're working on?

**FP Lee:** Yes, so I think, you know, I think you're putting me on the spot a bit because, you know, we have launched 14. I love all of them, right? You know, I don't, I don't want to be seen off like, you know, saying something that this one's good means that one's bad. They're all good, right? I think for, for strong yields, right, they are like, if you want the highest yields, there are four.

**FP Lee:** There's Pico Soul, Compass Soul, Lane Soul, and Hub Soul. These oh, and Juicy Soul. How can I forget? Like these five, right? These five are giving like [01:27:00] extra yield. So this is like almost like twice the APY than you would get for, from just sort of native staking or staking with Cheeto or Marinade, for example.

**FP Lee:** So those are, you know, for pure yields, right? And then we have things that are a little bit more gamified, right? We have City Soul in the works. Bonk Soul, as you know, getting Bonk airdrop. I don't know what the APY of that is. Depends on the price of Bonk, I guess. So I think that's really interesting.

**FP Lee:** And then, like, we have a couple more in the pipeline. We have one called PathSol, we're working with an NFT project to do this, using PathSol to pioneer up only NFTs, right? So, NFTs in which you can't lose the money that you put in to mint the NFT. So, you always can, you know, get a full refund for your money, you know, always get your money back.

**FP Lee:** So, that's something I'm really excited for not because of the yields, but just because like, hey, you know, this is something that nobody has ever done with an LST before. I'm really excited to do Raposa Coffee Raposa Soul with Raposa Coffee. Same thing, right? Who has ever done, you know, coffee, you know, like get free coffee from, from, from holding an [01:28:00] LSD, right?

**FP Lee:** And then there's one that I'm really, really, really excited about which I cannot tell you but then you guys, and I, I'm sure you guys will be super excited about it and that will come on Monday.

**Kemosabe:** Yeah, it's, it's interesting. I think like there's this whole layer to yield that hasn't been played with. In terms of like, how it can fund things long term, how it can fund rewards mechanisms and loyalty mechanisms for communities and I think it's pretty interesting to, you know, allow that for even small players in the ecosystem, like an NFT project or a coffee shop or or any of these things.

**Kemosabe:** So the higher APY on the four that you mentioned in the beginning, is that because of all the priority fee mess? For those of you who don't know, on Solana, priority fees are somewhat implemented incorrectly, and so there's a lot of people overpaying. Is that distribution, is that what's boosting the distribution there?

**FP Lee:** Well, I mean, I think to some extent, yes, right? So, like, I think a lot of people are overpaying and there's been [01:29:00] congestion and stuff and I think, like, I mean, validators are printing right now, right? Like, they're being sold so much fucking money. And that's good, right? Good for them because they were also here since, like, Solana was 8 and having a lot of pain.

**FP Lee:** So, you know, they deserve it absolutely. Losing money, yeah. Right now, right? So good on them. Absolutely good on them. And good for us too because I hold, you know, all of their stakes hold in infinity. Absolutely. I, I don't, so 1. 18 is, is coming up, right, there are going to be changes to the scheduler, the priority fees, right, stuff like that I don't know, I mean, your guess is as good as mine, whether the APY will go down or not but nonetheless, I think, you know like this, there's this new meta, right, that we've pioneered, right, of validators sharing their priority fees, sharing their blog reports, sharing their MAV, sharing their blog posts.

**FP Lee:** Right, and that just makes it a no brainer, like, if you're, if you're native sticking, why the hell are you doing it, right? Like you know, like, if you're worried about smart contract, like, if it's good enough for Jido, like, if it's good enough for multi coin, it's good enough for you, you know? Like, I, I mean, not to be flippant about that.

**FP Lee:** like smart contract risk, obviously, but [01:30:00] at this point, it's, it's, it's, it's securing 10 billion before. So, so like that, you know, yeah.

**Kemosabe:** And then there's a lot of risk if, if, if you're worried about your 50 sole stake,

**FP Lee:** exactly. Right. So yeah. And then you're getting like way so much more APY that you're not getting from native staking.

**FP Lee:** So, so, and it's free, it's free. We do not charge. We do not charge and do not plan to charge this sort of like management, you know, stake pools charge management fees. These validated LSDs do not, right. It's always going to be free to deposit deposit stake accounts. And it's always going to be free to withdraw from these as well.

**FP Lee:** So it's a strictly better experience than native staking. What are you waiting for? Right.

**Kemosabe:** Yeah, totally.

**Slorg:** Yeah. Super interesting. Let's see what I got left.

**Kemosabe:** Are there any sort of common misconceptions that you'd like to clarify around liquid staking or staking in general?

**FP Lee:** Yes like tons. I mean, okay, so first of all, and this is something that I think like even, you know, quote unquote smart VCs get wrong, right? And a lot of them are like, us always saying like, Oh, you guys are doing liquid staking, right?

**FP Lee:** You guys are going to, you know, [01:31:00] how, how are you guys going to compete with Jiro? Like how, you know, how are you guys going to be the lighter on Solana? Right. And when someone says this, right, I just understand that, like, you know, it's a clear, like to me, it becomes clear that they have misunderstood what we are doing here, right?

**FP Lee:** Because we are not competing with Jiro. So we're not competing with Bladesoul, right? We're not competing with any of these guys. We are building the liquidity layer underneath. right, to make sure that these stake pools or these LSTs can be as big as possible, right. We are not trying to swallow anyone up or vampire attack anybody, right.

**FP Lee:** Now, I will grant you that like individual LSTs, you know, are competing, right, with these, you know, like basically, you know the, the ones on the top layer, those, those guys are competing, right. But even then, right, you know, there is still, as I said, 95 percent of, you know, of stake up for grabs. So why is, why are you fighting for this 5%?

**FP Lee:** You shouldn't, right? So, you know, that the, yeah, so, so people misunderstand. People always think, oh, we're trying to be the centralized player. We're trying to be the new LIDO. We're trying [01:32:00] to be like the biggest staple. That could not be further from the truth. We want all of these, these LSTs to be as big as possible, right?

**FP Lee:** And then of course we are going to make tons of money too, because when, when these LSTs get huge, there's going to be lots of trading volume and we take all of the trading volume. So that people misunderstand sort of like the business model of where Sanctum is going. Does that make sense?

**Kemosabe:** Right. Yeah, totally.

**Kemosabe:** Yeah, and I imagine, didn't Lido leave Solana at the Lowe's or something? If they did come back, do you think they would use Sanctum?

**FP Lee:** I mean, they, they, they will use saying I there's a, there's an interesting tweet about, from my co-founder. I, I love it. I'm going, I'm gonna share it here, which is that we should you know, st sold, right?

**FP Lee:** This is the old Lido picker for yeah, for for stake salt. He said that St sold. So I. Now, ST SOL is basically like a meme coin, you know, and it's up only because you can only, you can only withdraw from ST SOL. So the supply is only going down. You can't deposit ST SOL. So you should buy it. We should, we were thinking of just buying it, making a meme coin, right?

**FP Lee:** It's a [01:33:00] symbol of Solana domination, you know, like Ethereum tried to come to eat our lunch. We told them fuck off, you know, like, and now they've gone back. I just love this idea of ST SOL being, being a meme coin. No, I mean, like, you know what? I think, you know, why did Lido leave? Like, everyone thought that Lido was going to win for sure, because they have like fucking, you know, they're like printing money on Ethereum.

**FP Lee:** Like, we just thought that they could win. But you know why they can't win? They can't win because the mindset to win is different. They thought that they can bring the Ethereum playbook onto Solana and win this way. But this is not how it works. This is not how it works on Solana. This is not how staking works on Solana.

**FP Lee:** Right? We are, we are working together, PVE mindset, right? And if you're trying to Play this playbook, you're gonna lose no matter how many millions of dollars you pump it in, right? So after pumping in like hundreds of millions of dollars in liquidity and rewards, they had to turn tail behind and was like, okay Sorry guys, you know, we can't do this.

**FP Lee:** Okay, we're done. That's yeah. Yeah, you know mindset wrong mindset. It doesn't matter how much money you have.

**Kemosabe:** Yeah how are you dealing with the current Solana congestion? How might it [01:34:00] have impacted you and the things you're working on?

**FP Lee:** Oh gosh, I have to apologize to our users because like until, you know, last, like the two weeks ago, we didn't have priority fees and, you know, like there were so many users who wanted to come in and, and, and we just didn't have, and the transactions just weren't going through and I felt, I felt so bad, right?

**FP Lee:** Like, because these are people literally lining up to give me money and I'm like, guys, sorry, sorry. It's not going through. But yeah, it, it did affect us a lot. And, you know. This is very hard to get right, but, but we've implemented priority fees already. And you know, since then, right, we haven't got any complaints anymore.

**FP Lee:** Right. So, so that has been very helpful, but like we had to work, like my, my co founders had to work very hard to, to build that, that feature.

**Kemosabe:** Yeah, sweet. Cool. I think I'm pretty much done. I don't know if there's anything in our document that you want to cover. But I think we covered almost all the questions, but I will take your hot take as I asked at Australia.

**Kemosabe:** Where do you feel the space will head [01:35:00] in 3 to 5 years? And what are your opinions or hot takes that might be out there or outside of the norm?

**FP Lee:** This is a, I think, so I, I want Solana to be money, right? I think Ethereum, as I said, I think Ethereum is doomed, right? I, I, I can see a case for BTC, right? As being this digital gold and the fact that it doesn't have any features is itself a feature. Cause it's like this, right? And I think Eve is in this kind of like no man's land where it's too slow to be a chain you actually use.

**FP Lee:** But then he has too much features, you know, too many, you know, they're still building it and stuff, right? So it's. You know so I think like Solana is going to be like number two for sure, right? And I think like what we are, what, what we are trying to build here is this like soul economy. So I would, I would really love it if, you know, soul became money, right?

**FP Lee:** Soul is something you, you hold, you know, to hold soul is something you hold to, to, to get a coffee subscription or, or healer mobile subscription, right?

**Kemosabe:** Right,

**FP Lee:** you know, you know, like paying artists like in a patreon, right? Like have, you know, holding slog soul to [01:36:00] support his work or chemo, you know, chemo soul to support his work, you know, etc.

**FP Lee:** I think like that would be like insane. So like, yeah, that's my dream.

**Kemosabe:** And I'm very curious about that. Super interesting. The idea of a personality based liquid staking token, I guess is possible now. Like I'm a big influencer now. I've got 150, 000 tokens. I could have pay a dev to set up a validator. Yeah.

**Kemosabe:** And then I could have my own. I can just go to you and have my own liquid staking token, right?

**FP Lee:** Exactly. We can set it up for you today. If that would be sick.

**Kemosabe:** That's funny. A couple of my friends are working on the validator. They might be mad at me. That's funny. That's fascinating. I think that there's like a, that's a really interesting idea.

**Kemosabe:** How do you see it? Like you know, a few years down the line as Solana's inflation decreases. You know as that's the main sort of reward mechanism for validators Do you see that as being like an ever tightening problem, or do you think that you know growing the pie [01:37:00] enough will make up for that?

**FP Lee:** That's that's a great question So I mean, this is actually a very I like this question a lot because it's like a long term question, right? It's talking about something that happens in years. And yes, I do think about these things in a matter of years, right? For example, there's no slashing now, but I'm thinking about slashing already, right?

**FP Lee:** Right I saw validated economics have changed dramatically in the past. year or so, right? It used to be like commission, APY, right? All of this stuff, right? Block rewards, et cetera, right? But nowadays you, you see like there's lots of stuff, right? Coming on, right? It's priority fees are far outstripping. I mean, again, it's, it should be like a more or less transient phenomenon, right?

**FP Lee:** Like, you know, it could be the congestion and stuff, but like, you know, it used to be like block rewards you know, which is the sort of inflation you talk about. That's like 90 percent of the valid is profit. And now maybe it's like one third, right? Yeah. You know, just a, just a tease for you, like, after TGE, you know, we're gonna have some, some really interesting stuff about, like, you know you know what's it called?

**FP Lee:** Eigenlayer calls it [01:38:00] restaking, you know, but, like, I mean, restaking is this, is this, you know, buzzword, but, like, you can pay, like, validators not right now perform a, a, a needed service of validating the network, right? Validating blocks. Now, with JITO, they, they also perform this service of, you know, this mempool stuff and like, you know, like doing these auctions, and it's not impossible to think that valid, you know, that validators could do a lot of other things.

**FP Lee:** For example, one of the things that we would love to see is on chain storage, right? Like, You know, storage on Solana is so expensive. So, so, so expensive, right? That's why NFTs can't be on chain, right? And CNFTs are basically just sort of like pointing, you know, pointing the thing to somewhere off the chain, right?

**FP Lee:** That's how, you know, they can be cheap, right? But if you could run like a validator sidecar, right, to tell these validators to also run storage, right, that would be a service that many people would pay for, right? So, and, and, and, and my point, In saying this and also a million other things, right? Compute maybe, right?

**FP Lee:** Like maybe every validator has a GPU and they run that GPU too, [01:39:00] right? I don't know. Right. But the point is that, you know, validated economics are going to change so much in the next, you know, few years, right? And, and like, who knows what the, the, the, the next batch of validate, like, you know, who knows what the profit, you know, where the profit will come from.

**FP Lee:** So my answer is,

**Kemosabe:** You're kind of talking about almost a super network, right? Like, so we have things like render and these other deep end protocols that require GPUs. But we were talking about is like, Oh, well, why don't you just bolt that onto a validator itself? And then the validator is functioning as a deep end thing.

**Kemosabe:** I'm I'm geeked out. I got, I actually got goosebumps over that. That's how much of a nerd I am. Yeah. All right, this is getting pretty heady. I think probably a good time to pass it off to the audience for any additional questions. Florg, I don't know if you have anything.

**Slorg:** Yeah, so guys, if you are the cat debt roll or cats of culture roll, feel free to request to come up to speak to ask your questions.

**Slorg:** In the meantime, we'll pass it back over to Sanctum. If you have [01:40:00] any concluding remarks you wanted to say before we let the audience ask their questions.

**FP Lee:** Yeah, sure. I'll keep it short because God knows I've been droning on and on. Yeah, you know, guys, thank you so much. You know, I want to say thank you, Jupiter, for giving us this opportunity.

**FP Lee:** Thank you guys, right? We really, really appreciate having this audience to tell people about our dream, about our vision for Sanctum, right? And, you know, obviously, thank you all for coming, taking your time off on a, on a Friday to, to listen, listen to us, right? You know, I, I won't belabor what we're doing, but I say, you know, in order for us to build this future where everybody has an LST, where, where there's this like awesome sole economy, right?

**FP Lee:** We need everybody's help, right? We need everybody to buy in, to understand what we're doing, right? And so, you know, I'm, I'm really appreciate the fact that all of you guys are here because, you know, like we can't do this without you.

**Slorg:** I'll start bringing people up. I see there's one cat that by the name of Machete. Machete, I'm going to let you up. There you go.

**Kemosabe:** Hey guys, I

**NFTmods:** really enjoyed the discussion today. I'm super excited about [01:41:00] Adrasti and especially Sanctum. I've been following Sanctum for quite a bit of time now. And I was just curious. You know, with the single validator LSTs, are you guys planning on having either documentation or some kind of infrastructure to help validators actually set those up, or is that something that they have to, you know, figure out on their own, do it on their own, and then come in to get integrated into the Sanctum pools after?

**FP Lee:** Oh, that's a great question. We actually already have this documentation up on learn. learn. sanctum. so slash docs and, one of my team will put it on there right now. Yeah, so we have these documents. If you, if you are a validator or you know a validator or actually a project, right, to be clear, right, like it's not, you don't have to have a validator to set up an LST.

**FP Lee:** You can be a person and set up an LST. You don't have to have a validator. You don't even have to have any stake to set up an LST, right. To be, to be absolutely clear. But you know, if you are one of these projects, one of these validators. Right. Check out our docs or reach out to us, you know, [01:42:00] like, like DM me, right.

**FP Lee:** I will, I will help you set it up. Like I promise I will, you know, be, be available anytime. Yeah.

**NFTmods:** Awesome. Yeah, no, I had, I'm not personally one, but one of the projects I've been, has been thinking about it as well as, you know, getting back to setting up their own validator. So of course I, I already have mentioned Sanctum to them and I think a couple other people in there have as well.

**NFTmods:** So hopefully we'll, we'll get them in there.

**FP Lee:** Yeah, yeah, DM us anytime, you know, we have a telegram, you know, my DMs are open, you know, please, yeah, anytime.

**Slorg:** Sweet, that was all I had.

**Slorg:** Gotcha, I will request once again, if anyone wants to come up to speak, to ask a question, if you're a CatDead or CatCulture role, feel free to do so. Otherwise, post your questions in the chat and they'll be read on your behalf. I do Liquidity Slushy. He had a couple questions. The first of which was, what's different between you and the other liquid staking providers?

**Slorg:** Yeah. So as I said, I

**FP Lee:** mean, so, you know, there are all these [01:43:00] stake pools and LSTs, they are, they are competing, right. To, to get stake from people, but they're also trying to grow the pie, right. I think the difference for us is that we are really, the primary thing is that we are, we are that liquidity platform, right.

**FP Lee:** The unified liquidity layer for these guys to grow. So we are the soil. Right. On which these flowers are blooming. Yeah. That's how I think about it.

**Kemosabe:** I like that analogy. Yeah, I think I think you can add onto that. Like if you, if you think of the staking as a whole, as a pool. Well sanctum is sort of the, or the vision is the actual, you know, the pool itself.

**Kemosabe:** And then everything else is the water

**FP Lee:** That's an yeah, I mean, we're honestly trying to find the right like yeah, that's a good one. Yeah.

**Kemosabe:** Yeah. Yeah Those are the sort of levels. Yeah interesting. Do we have anything else there slur?

**Slorg:** i'll ask another one of those questions. How is staking different between soul and eth?

**FP Lee:** So, again, everything comes down to, like, this liquidity fragmentation, this liquidity as a mode, right? Because, you know, without [01:44:00] Sanctum, you have this inherent centralization of liquidity, right? You have massive barriers to entry because you need millions of dollars in ETH to just sort of, like, set up your own LST, right?

**FP Lee:** When you have high barriers to entry when you have this massive liquidity mode, this, inherently leads to monopolistic, you know competition. It leads to centralization, right? What Sanctum has done essentially is by we democratize this liquidity, right? So it doesn't matter if you have like no money to set up your own validator, no money to set up like millions of dollars or seed, seeding your Orca or Radium or Meteora pools.

**FP Lee:** That doesn't matter at all, right? You can set up your LST and compete on a fair competition, right? On the fair basis, right? So that would be the difference. The difference is on Ethereum, it's like You know, people are just fighting to be number one, right? And on LSTs, right, you have this fertile soil. I mean, just torturing the analogy a bit more, right?

**FP Lee:** We have this fertile underlay of soil and then you just plant a flower there and then let all of these thousand flowers grow, right? So I think

**Slorg:** that that's the difference.

**Slorg:** Gotcha. I see another cadet by the name [01:45:00] of NFT Mods requested to speak. I'm going to let him up. There we go. NFT Mods, I let you up. Hey,

**Machete:** Can you hear

**Slorg:** me? Yep. You're good. Yes, sir.

**Machete:** Cool. I actually just wrote the question down in the chat, but I'll, I'll say it again. I saw that FPLI, made a statement on X about a specific stance he had about bribes for the LFG candidates.

**Machete:** And I just wanted to hear his elaboration on that and how maybe he hopes to.

**FP Lee:** Yeah, so, I mean, thanks a lot for this question, right? So, I mean, this, you know, basically we've seen lots of projects start bribing you know, their, like, voters to vote a particular way, right? I, I don't like this because I think that, you know, It just cheapens the process a little bit, right? I would love, you know, I want LFG, you know, I love Jupiter.

**FP Lee:** I want LFG to have a great reputation, right? And I think, you know, if you have I want people, voters to be voting on the projects that they think are best, the [01:46:00] ones that they think are going to make Solana better, right? I don't want to be voting for the project they think that is going to pay them the most, right?

**FP Lee:** I think that's, that's not, I mean, maybe it's like, it's kind of like short, it's. killing the goose, right? That lays the golden eggs in a way, right? You have this one platform with a great reputation from a great project, right? And, you know, if you make it basically becoming a bribing platform, right, then, you know, in some sense, there's no guarantee of quality, right?

**FP Lee:** Like if you want Jupiter LFG to be known for, like, yes, every single one of these projects that comes on is, like, a good project that could potentially become this massive unicorn, right? Then just, you know, making it devolve into a bribing fest is not the way to go, right? And, you know, I know, I know I'm being naive, right?

**FP Lee:** And, but I think, like, fundamentally, I think it cheapens the, the platform, right? It cheapens what, what we're all here for, right? So, so that would be my, my view.

**Kemosabe:** Can

**Threefigs:** I also add something to this?

**Kemosabe:** Yeah, please do.

**Threefigs:** Yeah. I also agree with you and I believe that Jupiter is a great platform. And [01:47:00] right now, basically, you know, you can see teams that are like, like much more, they can be richer, right.

**Threefigs:** And they can provide, And like extra incentives for you to vote, but I would say that this type of like bribing for the projects, I don't think, I don't think that it's like kind of like a long term, interest for the team, because the real team, they really understand the value of this tokens that they are distributing and they don't want to.

**Threefigs:** You know, like extra, like one or 2 percent to be sold you know, in the, in the next year. Right. It's just going to affect the token price. And you know, like in crypto, the, the best indicator of the success of the project is the price. Right. So so, yeah, I believe that bribing is, is like, is, is not really great, but we can't really kind of avoid it.

**Threefigs:** Right. But for me, I think that long term projects like they, they won't do it.

**Kemosabe:** Yeah, I think the core working group has had quite a few discussions around this just because, you know, it's been sort of the [01:48:00] hot topic in the last At least from the last vote. I think one of the big things is, is we saw the one project that did a pretty obvious, like about as obvious of a bribe as you can get, you know, we're going to give you all tokens for voting for us.

**Kemosabe:** They, they lost pretty handily, there's still a jury is still out on if that's going to be the case moving forward. But the kind of the way we see it is that if there is a meaningful difference in future votes, then we can sort of address that. But as of right now, the one data point that we have says that it made no meaningful difference.

**Kemosabe:** At all. And I, I think that's kind of an optimistic perspective in that I think the incentives for the Dow as they are, which is, you know, the 0. 75 percent of the token supply and it being locked for three months they sort of disincentivize short term thinking, right? Because you're thinking, okay, what token here that I'm voting for is going to be doing the best in [01:49:00] three months, not what is going to be the doing the best when this all launches.

**Kemosabe:** But yeah, that's kind of the the, the summary of the discussion so far. I don't know if you want to add anything there, Slurk.

**Slorg:** Yeah, I would just kind of, sorry, go ahead.

**Burner:** Add something super quick. It'll be like two sentences. I think it's interesting too. And maybe Lee could like, you know, cause he, this kind of like centered around what his answer was, but like, I also think it's interesting from like a user within the DAO, like the battle Royale kind of like model.

**Burner:** And I wonder if the DAO is discussed like in the future, Maybe projects are just a yes or no from the community and there's maybe like to avoid like spamming too many projects There's like a limit per month as opposed to like six different projects that necessarily really aren't building anything similar to each other And then sort of like pitting them like in the competition You know what?

**Burner:** I mean as opposed to like here's who's wants to launch and it's like a yes or no So that's something a model that I think But also mitigate like these like sort of like side inefficiencies that we're seeing. But I [01:50:00] also see Slorg reply a lot that it's pretty diplomatic to really not touch or think baby this early on in what you guys are doing.

**Burner:** So I think that makes sense too. But I do think evaluating like the competition model in the future as opposed to maybe like a pass fail could be something worth exploring.

**Slorg:** Yeah,

**Slorg:** I would just I would just reiterate the working group stance on this is that we don't want to be too heavy handed for the initial three to five votes, just so we see how things actually play out because we can speculate all day the effects of bribes or incentives or whatever we want to call them.

**Slorg:** But we have to see, like, how do they actually play out in practice? Do they, do they alter the vote dynamic in a meaningful way? So far the one data point we have says no, not really, also Kimo addressed that the design of LFG from the lockup to the, the lock, three month lockup period, it does disarm the immediate appeal of incentives and short term thinking, and I think a good point that [01:51:00] Durden made we had a town hall where we addressed this, and Durden made this point, but the greatest incentive is the the project you think will do best in the long term because people would prefer 1 percent of a 1 billion market cap project than 20 percent of a 100k market cap project.

**Slorg:** So yeah, I think we're just going to see how it plays out over the first three or so before being heavy handed in our guidance.

**Slorg:** Yeah. Yeah. Oh,

**Machete:** sorry. Thank you for answering that guys. And I really appreciate the clarity and I can't wait to see how that goes. Last question. Fp. And if I'm allowed to ask one more question, if there's time, I added I added this question also to the chat, but I'll say it. I see that, you know, you've onboarded over a dozen LSTs onto saying to, or with sanctum and With all that liquidity going to those LSTs, how would you plan on incentivizing deep liquidity for INF so that the protocol works as intended?

**FP Lee:** That's a, that's a good question. I think, honestly Honestly, I [01:52:00] think this, okay, so INF is, is basically we think of it as this LP, right, it's this basket of LSTs sorry, I want just to explain what INF is, because for the folks here, if they don't know what it is, then the answer will obviously not make sense.

**FP Lee:** So, infinity is a, is a basket of LSTs, right, so it holds bisol, gedolzol, lenzol, all the LSTs, right, and it allows for swaps between them, right, so it's, you can think of it kind of like, Right, which you know, holding, or, you know, three different assets, except in our case, we hold hundreds, right? So, just a little bit of context of what infinity is.

**FP Lee:** And I think, honestly, the answer of how we're going to incentivize deep liquidity for INF is, is, it's just gonna, it's just gonna do the best, right? Like, it's just gonna have, like, really high APY and, and, and already we're seeing that. So I'm not gonna make any promises. I'm not gonna say, oh, you're gonna have this much yield if you deposit, like, right now.

**FP Lee:** We have some indicative figures, but I want to stress these are just indicative, right? But, like, if you just think of it, like, if you have, let's say, a Jido soul, soul pool, right, you know, [01:53:00] one third of that, like, one, sorry, one half of that soul is not earning yield at all. So your baseline is 3. 5%. Right?

**FP Lee:** As opposed to if you have you know holding, you know, double side LSTs, right? And then, you know, if you have, let's say, a Jido Sol, B Sol pool, okay, so both of them are earning yield, right? But here we have all of them, right? And so the trading volume is potentially 10x, you know, or 20x. Because for a Jido Sol, B Sol pool, you can only get, you know, you can only service one kind of swap, right?

**FP Lee:** Jido Sol, Bi Sol, or Bi Sol, Jido Sol, so two kinds of swaps, right? When you have our kind of swaps, if you've got 10 assets, that's like 100 different swaps. And so we, we expect the trading volume potentially to be like, you know, much higher, right? And it will only get more and more over time, right? And the third reason is that because we are able to hold these LSTs, right, we're actually getting like very high APYs, right, just native staking, right.

**FP Lee:** Remember, I told you guys that, you know, there were lots of LSTs like Compass Soul, Lane Soul, Hub Soul, Pico Soul, which are all giving up their, you know, validator rewards, [01:54:00] MEVs and stuff, right. We are able to capture all of that. return in our pool as well. So, so, you know, we are actually able to get like significantly higher staking yields as well as significantly higher trading yields, right?

**FP Lee:** On the on the pool. Now, we may incentivize this in the future, right? With some points or token or whatnot, but my goal is that it should be like, it should be clearly like the best place to provide, you know, LST, LST liquidity, just because of the way it's designed, right? We should not need some crazy liquidity mining rewards to make it profitable to put into the pool.

**FP Lee:** That's not what I want.

**Slorg:** Thank you I guess I will request one more time, if anyone has any questions they'd like to ask Sanctum or if they'd like to hop up on the mic, please request now. This will be the last call for any questions.

**Slorg:** I see someone asked for a recap this is being recorded right now, we'll post the recording and also a transcript of the recording. Yeah, just hang tight. And I can start feeding the [01:55:00] transcripts into GPT and maybe get a, a big summary.

**Slorg:** Okay, I don't, it doesn't appear that there's any questions left, so I think we can end at that point. We're going to say goodbye to our guests, and then we'll reveal who's being introduced next week, so hang on for another minute or so. But yeah, thank you guys for both coming up here and giving what I believe were fantastic AMAs on both parts.

**Slorg:** I had a really good time and we had a nice back and forth because I can always tell it's a good AMA when I can go off the question script and just follow up. So yeah, really appreciate you guys coming on for this.

**Slorg:** Awesome. Thank you for having us. Cheers. Thank you guys. Appreciate it. Yeah, thank you. Thank you. Of course. Alrighty. And for the projects that we will be introducing next week for the AMA, we're going to do something a little bit unique. We're going to bring back the three projects who did not win from round one.

**Slorg:** So these are monkey decks. Sourceful and Uprock and this is because we'll be defining how we [01:56:00] handle re applications in subsequent rounds, so we felt it was fair to grandfather them in, which has the, really has the benefit of giving us very useful data on how projects not only respond to re application, but also we can get feedback on how their first application was, right?

**Slorg:** We can explore. What improvements they made in response to feedback, what changes they made in response to the AMAs maybe, and just commentary on the LFG process itself, which I feel is going to be very, very useful for us. So we will be bringing those three back next week and have their AMAs on the same day.

**Slorg:** So thank you to everyone who attended. Thank you for coming out and asking all your questions and listening. I think our retention rate this time was over 90%, which is pretty wild. But yeah, we'll see you guys next week.

**Kemosabe:** Sweet. And I think that wraps it, everybody. I'm gonna wait for these guys to leave and then I'll talk to you.

**Kemosabe:** Whisper

**Slorg:** sweet nothings. Don't listen to Slord. This is not

**Kemosabe:** for

**Slorg:** [01:57:00] you, Slord. It's not for you.

**Kemosabe:** Get out of here. All right, everybody. It's just us now. I don't have anything to say. No, I'm saying it.

**Kemosabe:** Meow.