

ODAO OF ALL INTERESTS (V0.1)

ZYGOMEB

1. MOTIVATION

It is said that a healthy DAO has all its members working in the same direction. While it is true for any organization, a change in direction must be able to take place, and sometimes quite rapidly. Especially when it goes against the self-interest of the token holders whether it be in short or long term.

As such I see this as prudent to structure DAOs in accordance with their incentives and structure it so such that there is a self-correcting equilibrium of power checking between these branches such that at all times a balance is maintained. While we cannot ensure that at all times each branch behaves in accordance to the interest it it supposed to represent, when it becomes obvious that it is the case, the system suffers overall as its legitimacy is lost.

A large emphasis in the governance portion is placed on the extensibility and future-proofing of the organization, allowing growth potential with structure that facilitates dispute resolution and contract execution guarantees even in face of lacking real-world legislation.

2. AT A GLANCE

We divide the DAO into three branches representing various interests.

The Core, α , represents the interests of the token holders and has power over the protocols. The group that can execute a proposal to change the behavior of things on-chain.

The Council, Δ , represents the self-interest of themselves and has power to manage the treasury. The group that can look and objectively evaluate what is the best strategy to grow the treasury and finance the maintenance and growth of the ODAO.

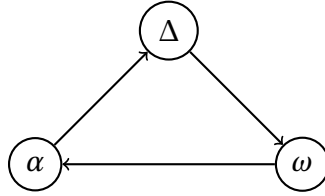
The Court, ω , represents the ecosystem at large and evaluates the impact of the protocols on it. The group that governs legitimacy of contracts and resolves disputes.

3. META GOVERNANCE

Distinction between governance and meta governance as used to refer to two separate layers of governance. The meta layer refers to the power of branches to restructure other branches, in a circular power structure dynamic, Core checking Council checking Court checking Core. Whereas governance is the branch-internal decision making and responsibility delegation system that may be tailored and idiosyncratic to best represent the interests of the branch.

Meta Governace is used as a framework to keep balance of power in check, with a very simple system of decision making. It is designed to be largely optimistic in a way that each branch self governs to the best of its ability and a meta vote is only used to keep this behavior 'in check', to be able to step in in case of a problem.

The meta governance proposal may be put froward by, for example, Core to change Council. Then, the third branch, Court, has three options. Accept, Deny, and Chain Proposal, the last of which makes the execution of the original proposal conditional on, here in this example, the proposal of Court to change Core, which prompts the decision of Council on that one.



4. GOVERNANCE, ORGANIZATIONS AND CONTRACTS, THE CONTEXT

Each branch has its own idiosyncratic processes and users. There are no restrictions placed on membership and how internal meta governance level decisions are made, but however they're taken, a decision must be unambiguous and leave enough time for the decision such that conversations may be had.

When it comes to 'getting stuff done' it is customary in DAO spheres to simply have working groups that anyone can enter into at any time. This structure works. But it must be improved upon, nominally, for the structures themselves facilitate organization, but not business.

As such two basic types of structures are created. A ministry and a dao. The differences between the two are quite simple. A ministry works under a single branch of ODAO, deriving power from it and acting on behalf of it within the delegated power that was granted to it. Whereas a dao is not tied under any specific branch and as such is

equivalent to a regular user, in all but recognizing that it can codify its own governance structure and be composed of many odao-legal entities. A dao, additionally, may declare bankruptcy in case of insolvency. The only type of bankruptcy available is the widely recognized 'chapter 7', which colloquially speaking liquidates all of your assets in order to pay creditors. Each contract it was engaged in proceeds according to its bankruptcy clause.

This brings the question of assets. In a fully decentralized environment, with our limited judicial power we are forced to evaluate how we look at assets carefully. There is no way to force payment of liability unless given the opposite would be a substantial enough loss. Collateral exceeding value of loan, or having the funds in a managed account seem to be the only two options.

The term 'odao-legal entity' explicitly separates itself from the term 'legal entity' in order to avoid confusion. But it means much the same that an odao-legal entity may be bound by a contract.

5. GOVERNANCE, ORGANIZATIONS AND CONTRACTS, THE DEFINITIONS

The ODAO is defined only by its current form.

The three branches are, The Core α , The Council Δ , The Court ω .

An associated account is a virtual balance sheet of every odao-legal entity within the ODAO. They are divided into their custodial and non-custodial parts. Only Custodial assets may be used as collateral in contracts. Audited and managed by The Council.

The Ministries are organizations with a well defined role, power and responsibilities. They must be placed under one branch, which will have full oversight over it. They must have their own governance structure.

A DAO is an entity that must have a codified governance structure that may be insolvent. To declare itself bankrupt means surrendering all assets in custodial accounts for liquidation. Bankruptcy cases are handled by The Court branch.

User is defined as a DAO that is governed by a single natural person.

The ODAO establishes jurisdiction over itself and anything internal and defined within the terms of the ODAO.

Legal entities recognized by the ODAO are Itself, the branches, ministries, daos, users.

Contracts are written agreements between legal entities, recognized by The Court as odao-legally binding.

6. THE CORE, α

The most straightforward of branches. Its purpose is to represent the interest of the tokenholders and maintain and implement changes in the products that it governs.

7. THE COUNCIL, Δ

The Council is characterized as the treasury of the ODAO. It is tasked with managing and growing the treasury. Furthermore, it is the default manager of custodial accounts. Bread and butter of The Council is accounting, however, as various initiatives within the ODAO will require dynamic funding.

8. THE COURT, ω

The main purpose of this branch is to represent the interests of the ecosystem at large and ensure that all contracts are properly followed. As such it is expected that this branch would take a fee on contracts to cover its operational cost.

Will write more in these last 3 sections later.....