# **S3MT Tokenomics — DAO Governance & Economic Model (v1.1)**

This document outlines the tokenomics and governance framework for S3MT, a Wyoming-registered DAO integrating BlockDAG-based development incentives. The goal is to establish a legally compliant, community-governed ecosystem backed by real assets and long-term mining infrastructure.

## **1. DAO Structure and Legal Framework**

### **Why Wyoming?**

Wyoming is one of the few jurisdictions in the U.S. that recognizes Decentralized Autonomous Organizations (DAOs) as Limited Liability Companies (LLCs). This legal clarity enables seamless integration of smart contracts and blockchain governance into compliant business operations.

### **Governance Model**

* DAO members will vote on proposals related to treasury management, mining expansions, and ecosystem growth.
* Token holders will have proportional voting rights, modeled similarly to governance frameworks like Helium (HNT).
* Smart contracts will handle treasury distributions, minting logic, and other financial functions.

### **Compliance Considerations**

* The DAO will be registered as an LLC in Wyoming.
* A legal framework will be established for investor protections, taxation, and regulatory compliance.

## **2. Tokenomics Overview**

### **Total Token Supply and Allocation**

| **Allocation** | **Percentage** |
| --- | --- |
| Pre-sale | 30% |
| Mining Operations | 50% |
| Business Operations | 20% |
| BlockDAG Developer Reward | 1.5% per pre-sale token purchased |

### **Key Economic Features**

* **No Pre-Minting:** Tokens are minted only when purchased, preventing inflation or dilution.
* **Pre-sale Access:** Early participants receive favorable pricing with 30% of the supply allocated.
* **Mining Incentive:** 50% of tokens are dedicated to mining infrastructure, ensuring long-term yield generation.
* **BlockDAG Developer Incentives:**
  + 1.5% of each pre-sale purchase is allocated to developer rewards.
  + This promotes early ecosystem development and continuous protocol improvement.
* **Treasury Composition:**
  + Treasury reserves are held in ETH, BTC, and SOLANA, providing liquidity and stability.

## **3. Treasury and Financial Flow**

* Pre-sale funds are immediately converted into treasury assets (ETH, BTC, SOLANA).
* Mining operations generate ongoing yield, which is distributed as dividends to token holders.
* BlockDAG developer rewards are allocated per pre-sale transaction to ensure long-term contributor engagement.
* The 20% operations fund covers legal, marketing, infrastructure, and administrative costs.

## **4. Implementation Roadmap**

1. **Register DAO** under Wyoming LLC framework.
2. **Deploy Smart Contracts** for minting, governance, and treasury automation.
3. **Launch Pre-sale** with 30% token allocation.
4. **Begin Mining Operations**, allocating 50% of the token supply to infrastructure development.
5. **Activate Governance Voting** and BlockDAG development incentives.
6. **Scale Ecosystem** based on DAO feedback and real-world performance.

## **5. Strategic Advantages**

* **Fair Launch Economics**No tokens are pre-minted; supply is demand-driven.
* **Asset-Backed Reserves**Treasury is composed of ETH, BTC, and SOLANA to maintain liquidity.
* **Sustainable Revenue Model**Mining yields fund long-term ecosystem growth.
* **Developer Engagement via BlockDAG**Reward system ensures consistent innovation and development.
* **Decentralized Governance**Decisions are driven by token holder consensus and executed on-chain.