



[Secretnodes.org](https://secretnodes.org)

Burn ENG for SCRT! Allocation

Proposal

April 23, 2020

V 1.0

Summery

This proposal is merely intended to allocate funds to efficiently pay out the parties doing work for the approved proposal 4, otherwise referred to as "Burn ENG for SCRT!".

In proposal 4 the initial budget was 422k SCRT. Through a draft period, we opted to remove a proposed 2% minting fee. In this final budget, we are keeping everything the same other than increasing the audit budget in order to make sure we cover the full costs of the audit.

Due to the risks of not knowing what SCRT will be worth when it goes to reimburse those who pay for the audit, not knowing when SCRT will be liquid / listed, and the need for audit costs to be covered upfront we have determined the final amount we need to be allocated for audit is 163k SCRT and the total allocation for Burn ENG for SCRT! is 285k SCRT.

Allocation Amount

285k SCRT - Multisig Controlled

Who is Submitting

Ian Dixon is submitting on behalf of secretnodes.org. Established in 2018, we're a grassroots organization that believes society is facing a fork in the road in regards to privacy, security, data rights and their trend towards further degradation. We aim to be a refuge at this impasse and are committed to supporting the enigma ecosystem by helping to empower its stakeholders.

Secretnodes.org

<https://secretnodes.org>

Ian Dixon - CEO & Founder ([Twitter](#)) ([Linkedin](#))

Jacob Jackson - Developer & Co-Founder ([Twitter](#)) ([Linkedin](#))

Background

Initially, the plan was to allocate these funds to a multi-sig controlled by trusted community members. This plan changed in response to a bug that was discovered on 4/20/2020 in Cosmos and the Enigma blockchain that prevents multi-sig from working past one transaction, the issue is detailed [here](#). Since then we have worked to assess what next steps might be and as of 4/22/2020 [you can track the fix being worked on from Cosmos here](#). The issue will need to be fixed on the mainnet before the swap can complete due to the need for multi-sig in the minting/swap process. It will also need to be fixed on our testnet before we can continue testing. For this reason, we are asking to allocate the funds to [secretnodes.org](#) and keep the exact same payout guidelines. This ensures the remaining work will get done on schedule, such as paying for the audit.

Payout Guidelines

The only acceptable recipients of funds are as follows.

- Ian ([secretnodes.org](#)), Laura (chainofsecrets.org), Taariq(no domain), Dan (chainofsecrets.org), cashmaney (cashmaney.com), eric ([mathwallet.org](#)), Scotch(no domain), and the auditors.

The only acceptable conditions for outputs of funds from the allocation to contributors is as follows.

- The specific work done by the party receiving a payout as outlined in the final budget is fully completed and tested as working.

Exception to the rule is that the audit needs to be paid for up front. So the audit allocation must be the first tx sent from the allocation address and it must go to compensate the party/parties that ultimately pay for the audit. No other payments can be made first for any reason.

Clarification 1 Participants are responsible for communicating an address that differs from their public validator address for payment. Verification of alternative address can be done via email to ian@secretnodes.org from an email address connected to their organization or other address that is deemed acceptable.

Clarification 2 Payouts to any parties not listed here must be mutually agreed to by the current participants and transparently communicated.

Feedback

Any feedback you have should be made either in the Enigma forums or in the Secret Foundation Chat.

Enigma Forums Thread: <https://forum.enigma.co/t/token-swap-proposal/1364>

To participate in real time discussions around this proposal, join us in #burn-eng-for-secret at the Secret Foundation: <https://chat.secret.foundation/>

Relationships & Disclosures

[Secretnodes.org](https://secretnodes.org) has not yet received any grants or investments related to the new EnigmaBlockchain. Relationships with all Enigma stakeholders, including validator operators, protocol and tool (wallet, staking interface) developers, SCRT stakers, ENG holders, and yet-to-be-identified stakeholders will be critical to carrying out these activities, and to upholding our standing in the community. For this reason, we want to operate with as much transparency as possible. We believe without these efforts, what we aim to achieve may never actualize. We ask that all stakeholders recognize the efforts we have put in and continue to put in supporting the Enigma protocol. Furthermore, it should be noted that any user wishing to **Burn ENG for SCRT!** does so at their own risk. Neither Secretnodes.org or any other organizations listed bears no responsibility for open source code functionality, and this proposal should in no way shape or form be construed as any solicitation/offer.