

# Enter the War Room

A Black Swan Simulation  
**Juan Carlos Bell &**  
**Oxytocin**

Gravity DAO, ParaSwap,  
Optimism Code of Conduct Council.

# **Disclosure:**

**This is a work of fiction created solely for educational purposes.**

**Names, characters, events and incidents either are products of imagination or are used fictitiously. Any resemblance to actual events or persons is entirely coincidental.**

# **Warm up:**

**Breathe, stretch, live this moment at its fullest.**

**You'll be acting to have a learning experience. Allow yourself to feel and embody the role you were given as well as you can!**

**We will simulate a conflicting situation involving a multiparty negotiation in a DAO to practice your ability to respond to worst case scenarios.**

# Party description

Green:

**DEVALEND DAO CONTRIBUTORS.**

Yellow:

**AFFECTED BORROWERS**

Orange:

**CODE IS LAW.**



# Workshop timeline.

**Managing  
Chaos**  
**25 mins**

**Experience the  
situation.**

Understand multiple points of view, build bridges between parties, negotiate and look for alternatives.

**Decision  
making**  
**25 mins**

**Make collective  
effort.**

Coordinate for voting on a proposal, analyze results, and planning next steps.

**Debrief &  
Reflections**  
**25 mins**

**Find the black  
swan**

What was made visible that was hidden or not disclosed initially.

# Are we ready?



# Context:

Since 2021, DevaLend has been positioning itself as one of the fastest growing projects in Defi. They have been mostly focussing on the “**DEVA2 chain**”, a Rollup of the Ethereum Mainnet.

The “**Dlend**” token reached its all-time-high in interest as of October of 2024, and the momentum of the project couldn’t be better. There is a strong sense of reliability in the protocol, and the DAO is making progress towards user driven governance.



# Deva Lend

Your DEVA2 Defi Protocol

80 Million USD in TVL

35 Million Users

#1 Protocol in DEVA2

Earn \$DLEND after staking and  
participate in DAO governance

Best place to manage your positions!



# Breaking news: Nov 12th

Satoshi's wallet moved 5 bitcoin that were “**unspendable**” from genesis block to a **fresh wallet**.

The screenshot shows a blockchain wallet interface for the address 1A1zP1eP5QGefi2DMPTfTL5SLmv7DivfNa. The interface includes a large orange circular profile picture with the letters 'SN' in white. The address is labeled as a 'Miner' and 'Satoshi'. It also shows a 'Base58 (P2PKH)' representation of the address. A 'Bitcoin Address' button with a QR code icon is present. The balance is listed as 100.19180697 BTC or \$7,029.230 USD. A note states: "This is the Genesis address, it is owned by Satoshi Nakamoto and contains the unspendable 50 bitcoin mined from the genesis block."

**Satoshi ✅**

Miner Satoshi Base58 (P2PKH)

Bitcoin Address

1A1zP1eP5QGefi2DMPTfTL5SLmv7DivfNa

This is the Genesis address, it is owned by Satoshi Nakamoto and contains the unspendable 50 bitcoin mined from the genesis block.

Bitcoin Balance

100.19180697 • \$7,029.230

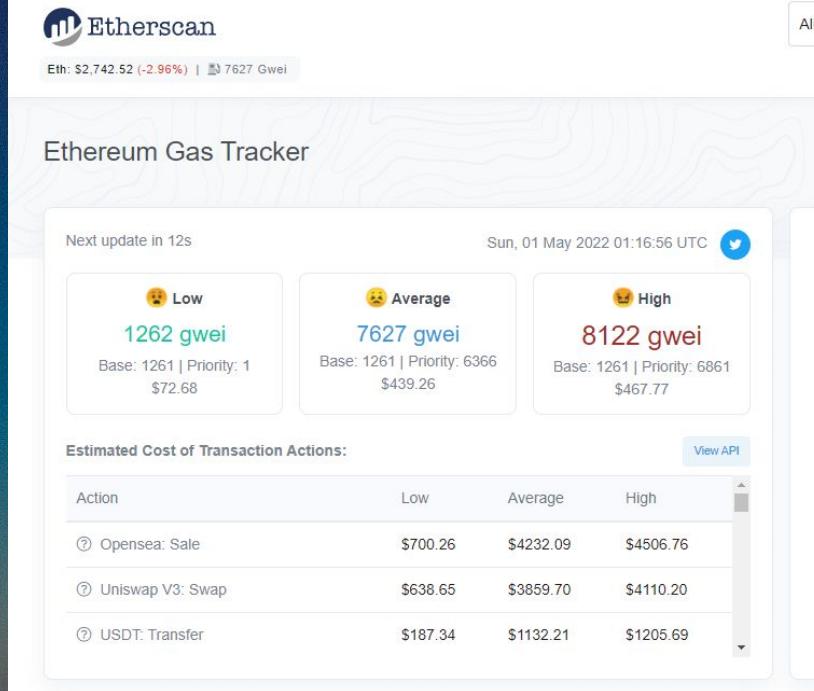
Source: Blockchain.com

# The market is panicking ...



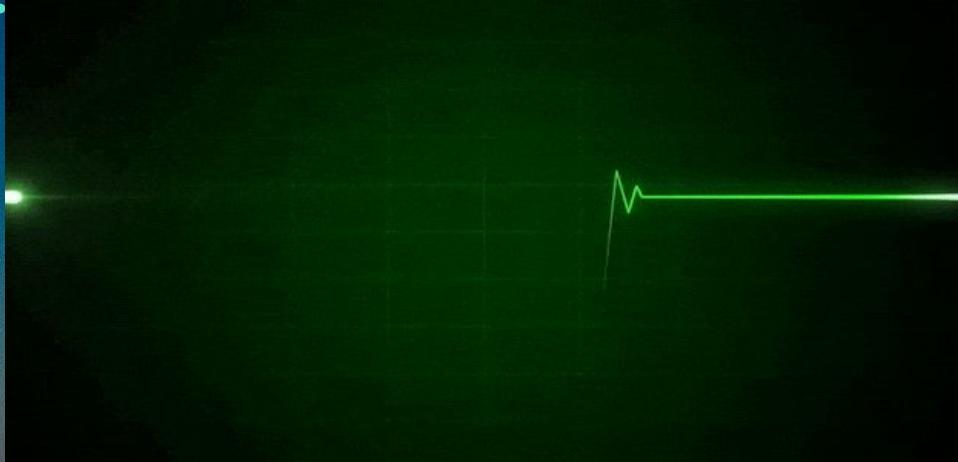
Author: Bogdanoff, Source: OpenSea

# ...and the network is strained



**The fierce behavior of the market, involving high gas prices and Layer 1 saturation, produced a Key Layer 2 Sequencer complete outage for 8 hours.**

**DevaLend users had 29.4 million USD in liquidations. Many users are complaining they could have easily paid off outstanding debt had the sequencer been up.**





Source: Giphy.

**Surprisingly, the media attention and the investors reacting to the uncertainty ended up stabilising the market back to more or less where it was before the panic in less than a day.**

**Media is calling this the “Black Tuesday”.**

# So now, who is going to help us?



# **Part 1: Managing Chaos**

**What happened? What are the different voices.**

**You will be divided into three affected groups**

**Communicate between groups, understand the different points of view and try to negotiate common needs.**

## In play:

- **Communication**
- **Governance**
- **Power decentralization**
- **Self oriented perspectives**
- **Information asymmetry**

## Goals:

- Identify short term actions.
- Look for leadership in the parties
- Find Collective wisdom
- Empathise with different groups, what might be motivating them?

# Let's Go!

25 Min Session



# 10 minutes left



1. Begin deciding next steps
2. Prepare small rationale for decision

# **Part 1**

# **conclude**

# **d**

## Part 2: Decision making

**Compensation proposal via DAO governance.**

**Voting type: Weighted voting.**

**Options: Yes / No / Abstain / if yes, how much loss %**

**Use DAO's treasury to compensate Black Tuesday's undercollateralized vaults forced liquidations.**

**Pros: caring for affected users.**

**Cons: Dilute the value of the \$Devalend Token**

# The Treasury

**DevaLend's current liquid treasury is of 100M DLEND.**

**The full treasury, at current estimations, will cover ~85% of user losses.**

**Onchain liquidity is not sufficient to cover 100M in swaps over a couple days, and would require shutting down of the grants program to make up for it.**

**The vote: Use DAO's treasury to compensate Black Tuesday's undercollateralized vaults forced liquidations.**

# Proposal Is Up!

The image shows a dark-themed user interface for a platform called DevaLend. At the top left is a lightning bolt icon next to the word "snapshot". To its right is a blue button with white text that says "Switch to the new interface →". On the far right is a circular icon with three dots. Below these are three circular icons: one with a line graph, one with a minus sign, and one with a plus sign. In the center, the text "DevaLend > Black Thursday Compensation Scheme" is displayed. A green button labeled "Active" is positioned below the navigation bar. The main title "Black Thursday Compensation Scheme" is centered at the bottom in a large, bold, white font.

snapshot

Switch to the new interface →

DevaLend > Black Thursday Compensation Scheme

Active

**Black Thursday Compensation Scheme**

## In play:

- Game theory
- Legitimacy
- Power Dynamics
- Complexity tolerance

## Goals:

- Governing the commons
- Collective decision making
- Understand perspectives, feelings and needs



snapshot

Switch to the new interface →

...



DevaLend > Black Thursday Compensation Scheme



Active

# Black Thursday Compensation Scheme



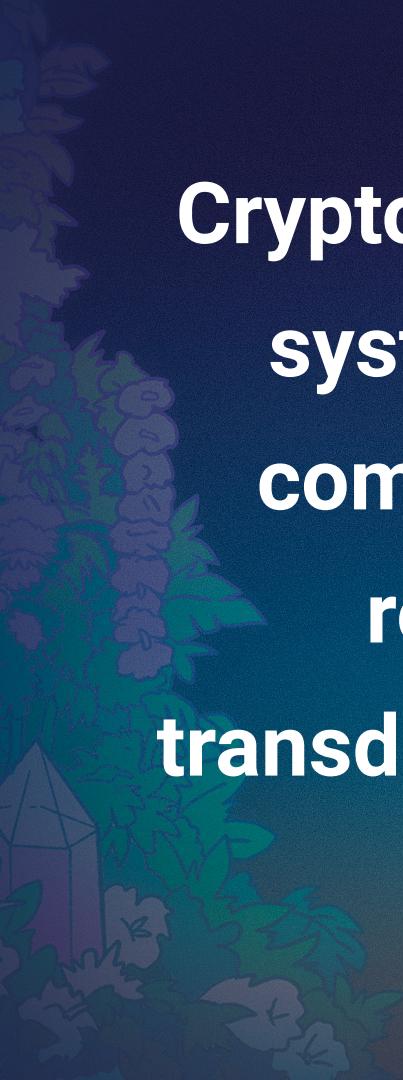
FOR

AGAINST

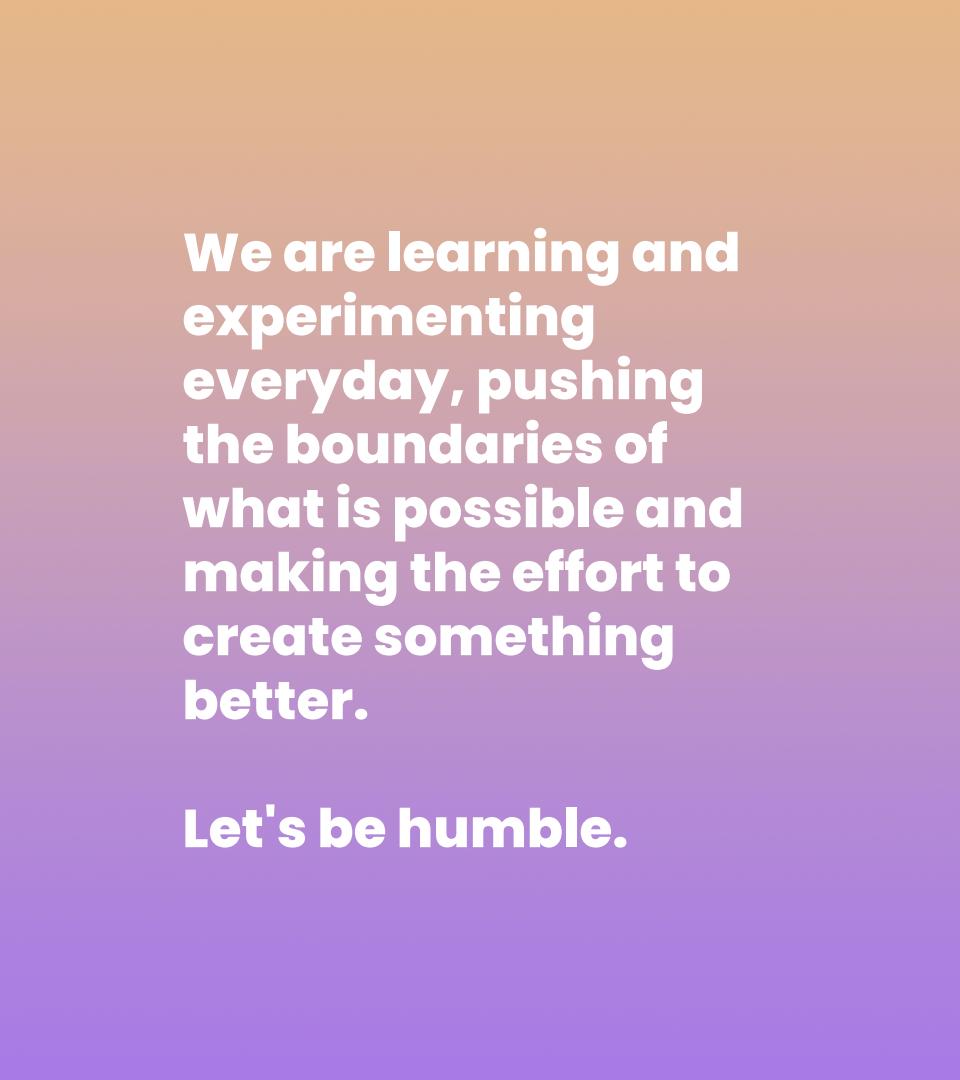


## **Part 3: Debrief & reflections**

- **What's the black swan?**
- **What did you feel?**
- **What did you learn?**
- **What did you analize?**
- **What was made visible that was hidden or not disclosed initially?**
- **What are opportunities for improvement?**
- **What could have been done different?**



**Crypto economic  
systems are  
complex and  
require  
transdisciplinarity**

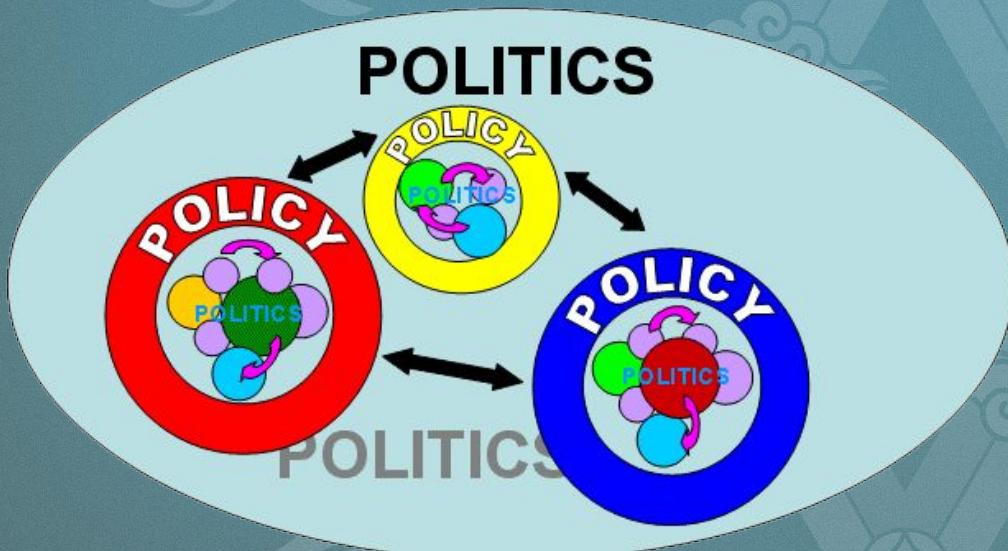


**We are learning and  
experimenting  
everyday, pushing  
the boundaries of  
what is possible and  
making the effort to  
create something  
better.**

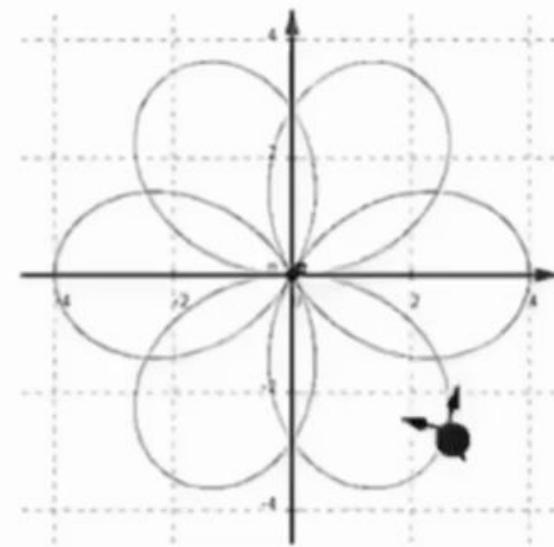
**Let's be humble.**



# Human is a political animal - Aristotle



**A point of view  
does not represent  
the totality**





# Creating connection instead of disconnection (NVC)

## The Four Ds of Disconnection

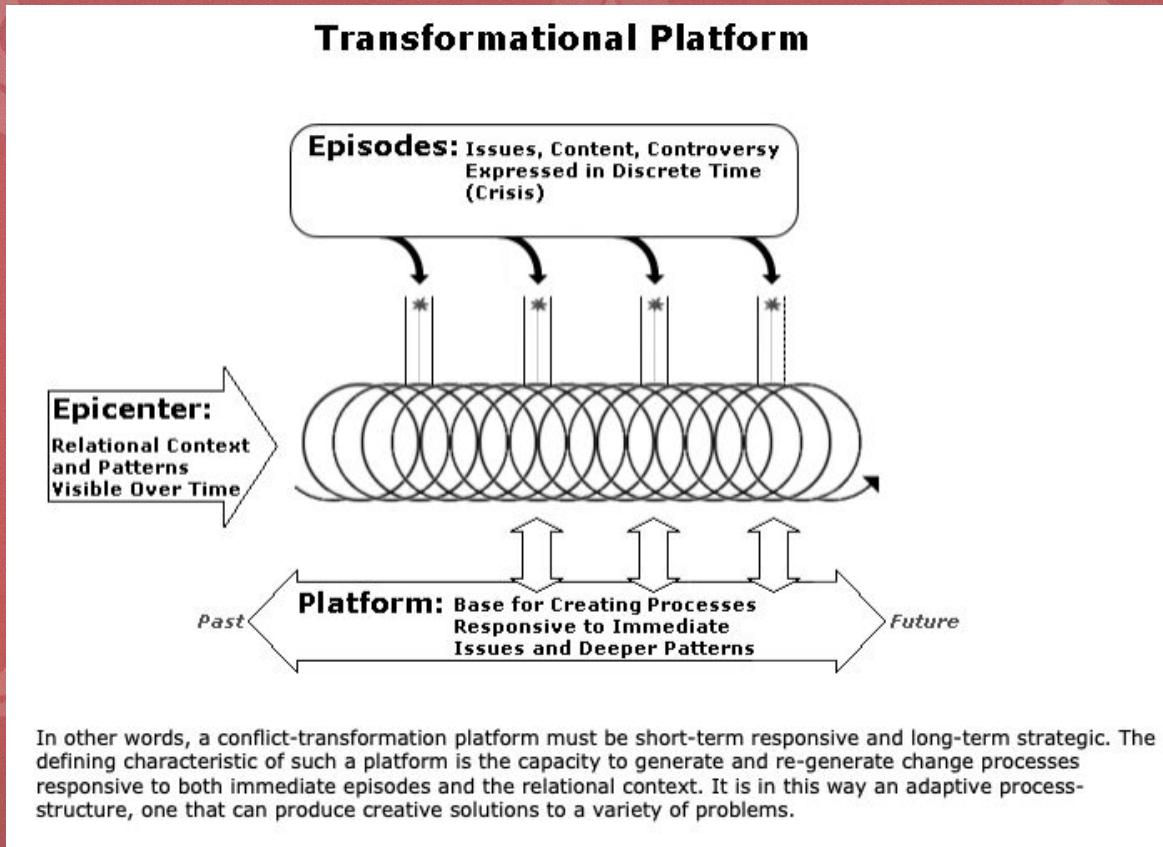
*Each of the 4 Ds is a tragic expression of an unmet need.*

<b>Category/Form</b>	<b>Meaning</b>	<b>Behavior/Example</b>	<b>What might be the Need of the speaker?</b>
<b>DIAGNOSIS</b> <i>Who is what? They (I) never or always.... Whenever...</i>	Labeling, criticizing, Putdowns, insults, shaming	“You only care about money.” “S/he is lazy.” “I feel attacked.” “What a jerk!”	
<b>DENIAL OF RESPONSIBILITY</b> <i>Who is to blame? Who is at fault? I have to... I can't... I should(n't)... I feel because you...</i>	Denial of choice or capacity to respond victimhood, blaming, attributing the cause of one's feelings or actions to someone else or circumstances	“I have to do what the boss says!” “It is your fault!” “I drink because I am an alcoholic.” “S/he made me do it.” “You made me mad.”	
<b>DEMAND</b> <i>Do it or else. This is the only way.</i>	Threat of blame or punishment for lack of compliance.	“Get that proposal out by 5 pm or find another job!” “Shut up or I'll smack you!”	
<b>DESERVE</b> <i>Who deserves what? Who should be punished or rewarded?</i>	Judging who is right or wrong, and thus has “earned” punishment or reward.	“Since you didn't complete the project, you can't go on vacation!” “You owe me.” “Because you were good, you get a dessert.” “S/he deserves to be killed since s/he ____ .”	





# DAOs as Conflict Transformational platforms



J.P.  
Lederach



# There is a free course by Gravity DAO to train conflict management skills.

**GRAVITYDAO**

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Instructor   Category Conflict Management   Review

## Graviton Introductory Course

6 Weeks   Intermediate   22 Lessons   5 Quizzes   92 Students

[Overview](#)   [Curriculum](#)   [Instructor](#)   [Reviews](#)

In this introductory course, you will see an overview of the multiple topics we focus on Gravity DAO, and our integrated approach to preventing and managing conflict. Once you finish this one you can continue learning about your preferred subjects through the continued education activities we offer and additional courses that will be available on the page.



Free

**GET IT NOW**

# Closing thoughts.



- Systems benefit from preventive measures and clear collective agreements.
- We tend to plan mainly for the best case scenarios. We need to better measure risks in Web3.
- There are still formal mechanisms to address disputes when DAO governance fails to meet the needs of the parties.
- DAOs are affected both by internal and external events.





Thank  
You!

