



**Iron Key Ventures LLC**

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**LITEPAPER**

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**Iron Key VentureDAO is a decentralized network of angel investors that operates as a distributed venture fund, allowing anyone to earn carried interest. We vote on and invest into 1 startup per month, and help bring web2 SPVs into web3.**

## **Preface**

Our members went through various web2 venture capital programs, only to realize our hard work was being abused. This is why we decided to open source the angel investing and syndicate process, and allow anyone to participate and earn. We found a way to collaborate so that we could all benefit from each other's hard work and monetize our excess deal flow. We strive to create an avenue for anyone to monetize their unique access to venture deals within the web3 ecosystem.

## **Introduction**

Iron Key VentureDAO is a group of angel investors that operates as a distributed venture fund with a fellowship program. We decided to take our learnings from traditional venture capital to create a more equitable syndicate investing framework, and create a more transparent learning environment for web3 professionals who want to build a venture investing skillset. People join our community to learn about web3 VC, invest, or build their network.

## **Problems with Syndicates Today**

- 1) Most syndicates have little to no transparency into investment decision making; we fix that by creating a headless investment committee to operate autonomously.
- 2) Most syndicates keep ~90% of the carried interest for the GPs; we split the carry 50 / 50 between the DAO and venture fellows.
- 3) Investors are relying on 1-2 GPs to outperform; we crowdsource web3 intelligence and deal flow
- 4) You must trust the syndicate lead; our software automates token distributions

## **The Community**

Our community operates in slack and can be broken down into 3 core personas.

- 1) Investors - Expand your deal flow; deploy capital into selective deals
- 2) Web3 professionals - write your first angel check and build a venture track record
- 3) Web3 Founders - learn how investors think in order to raise capital successfully or pitch your company

## **Governance**

The investment committee meets once a month. Each member has a 5 minute time slot to pitch a deal. There are 4 unique roles within the DAO, which are voted on by members once per quarter.

- 1) Investors - accredited investors who deploy capital and want access to deal flow
- 2) Venture Fellows - source and diligence deals, earn carried interest, build track record
- 3) Core Contributors - Perform a specific role in the DAO to earn
- 4) Investment Committee (IC) - The Core Contributors vote on selections to IC

## **The Fellowship Program**

Iron Key Venture Fellows are selected on a quarterly basis, and must select between the Diligence or Sourcing track. Each Venture Fellow will have access to the investment committee for 3 months, and can pitch a maximum of 3 deals. At the end of each quarter, The DAO will vote on which venture fellows get voted in as DAO core contributors.

## Security Token

In order to balance long term and short term incentives, we decided to reward DAO members with a security token, backed by equity in the DAO itself, for performing certain actions. These 4 actions allow certain members to earn equity tokens:

- 1) Refer LPs into a syndicated deal
- 2) You sourced the deal
- 3) You championed the deal
- 4) Your deal was selected as runner up (this is a way to reward investment diligence)

## Sub-DAOs

At any time, a proposal can be created to form a new sub-DAO. A subDAO contains its own investment committee, with its own investment thesis. Our investor base will be cross pollinated to ensure viability, and the subDAO will inherit turn-key operational support from the DAO itself.

## A Service DAO was born

The concept of a Service DAO, first introduced in the [Hydra whitepaper](#), served as inspiration for us to offer our SPV-NFT tokenization as a service to other syndicates and venture DAOs. We initially started building this software to solve our own problem when investing in SAFE + token warrant agreements.

How do we operationally deal with token warrant distributions when they occur? Is the syndicate lead supposed to manually calculate the pro-rata token amounts in a spreadsheet based on the SPV cap table? There must be a better way.

We built a software tool to automate this token distribution process. This relieves the syndicate lead from the liability and operational burden of calculating token distributions for all parties.

## Conclusion

We created a decentralized autonomous investment syndicate as a DAO to help democratize earning potential in venture capital. Anyone can earn, learn, invest, and network with community members about all things web3 angel investing and venture capital.

Sincerely,

Joseph Argiro

Founder & CEO  
Iron Key Capital LLC