

The Polar Manifest

Polar DANO

The First Fully Decentralized Autonomous Nodes Organization (DANO)

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I - Introduction

Polar DANO aims to be the first fully decentralized autonomous node organization (DANO). Investors will buy a node using the POLAR tokens. The POLAR tokens spent on the node will be split between the treasury, liquidity pool, and rewards distribution. Next, the treasury is invested using different strategies hand-picked by the community in order to generate revenue to be redistributed. A node gives the investor the right to receive a daily payment generated by the protocol from the current investments and from the distribution that occurs when a node is bought.

The classical node model poses several challenges, the main ones being trust and the economic sustainability of the project.

In order to build a trusted network, investors need to be assured that the team is not corrupted and with ill intent; that there will be no "rug". The investor wants to be sure that what is decided is with their best interest in mind and that funds are transparent and can be audited by everyone.

Investors want a clear path to sustainability. For this to work, the redistribution of the revenues must make economic sense. The project must have a clear investment thesis as to where and why the treasury is invested. This investment will be approved by the community and be verifiable by the community via blockchain, whatever chain that may be.

II - Trust issue

Trust is the key to any decentralized entity.

Scams seem to be more of the norm in DeFi. To mitigate this problem, projects must be set up to protect the community. Strategies to protect the community include: Know Your Customer (KYC), Multisig, Liquidity lock, and Audits.

Know your Customer (KYC): This system is fallible and the antithesis of the very idea of decentralization. The organization sells the identity of presumed team members to another organization that is responsible for validating their background. From here, the KYC company is responsible for exposing the team's identities to authorities in case of theft. There are several problems with this. First, selling the identity of one's organization's members is fallible. There is no guarantee that the identity provided is true. Fake cards can be used, one person can be paid to impersonate another, and so on. Delegating this security to a third-party organization does not translate into a real safety measure. There is no proof that the third-party organization is not corrupt, incompetent, or has a flawed process. How can we fully guarantee they have the best intentions in mind?

Multi-Signature Technology (Multi-Sig): Requires multiple keys to authorize a transaction, rather than a single signature from one key. This technology divides the responsibility of possession of the treasury supply of tokens among multiple people. It helps prevent a single point of failure, making it substantially more difficult for the wallet to be compromised. This also prevents the possibility of loss of funds in case one key is lost; there will still be a few others that can approve. This principle is commendable and relies on the trust of the protocol users towards the people who "control" this multi-signature wallet. Unfortunately, in most cases, this protection is not enough. The elections of the members holding the keys can be rigged, as what usually happens at the beginning of a project, and the "influencers" composing it can be corrupted by self-interest. Moreover, in most cases, it only requires three or five signatures, which limits the number of people that are ill intended.

Liquidity lock: the organization's token liquidity is locked by renouncing the ownership of liquidity pool (LP) tokens for a fixed period. Tokens are simply to a time-lock smart contract, which provides liquidity protection. Sometimes essential wallets are not locked, posing a security risk to the protocol. There is no guarantee that the access passwords are well protected.

Audits: This system is supposed to ensure the reliability of the code backing the tokens; reassuring community members that there are no security issues. Trust is based on the reliability of the auditing company. The auditing company may be corrupt, inefficient, or be poor quality. Some projects take advantage of this audit to not make their code public. This poses a serious problem to security and transparency.

III - The Solution: A Total Decentralized Organization.

Polar DANO has stated from the beginning that these "guarantees" are purely marketing to create a false sense of security with hopes to obfuscate the issue. None of these guarantees fully protect the investors. The solution is simple: Decentralization and transparency through code. A Node DAO Organization.

Polar DANO wants to solve these problems by becoming the first DeFi protocol 100% decentralized, without any controlling entity that might be swayed or corrupted. We do not trust - we verify. The community verifies. It is the very essence of blockchain technology.

Our protocol will be completely open-source. The POLAR community is the protocol. We want all the decisions to be made by those who are investors in the protocol, not by a few members of management. All code will be open source.

The dApp will be put on a git repository, the smart contracts verified through the blockchain explorer.

The community will be built on top of a foundation created by trust and security. To solve the security and trust issues, the decentralized organization will hold regular elections to choose the members representing the protocol. There will be many protocol representatives. The responsibility of the representatives will be to execute decisions that were previously made by the original leadership team.

Decentralization must be absolute: all the wallets of the project will be in the hands of the community. All protocols and dApp updates will be made and authorized by members.

All treasury transactions will be approved by the community and invested by community members using multi-sig technology. Every node owner will be able to vote. Each node will have the same weight. The funds shall be secured by 150 multi-sig wallets held by members elected by the community every four months. Transactions will have to be validated by at least 50 members of this elected council.

Finally, the only audit will be transparency and validation. Everything will be public. Everything will be developed by the community and for the interests of the community itself. We offer something better than the empty promises of audits and marketing. We offer true decentralization and verification on the blockchain. Decentralization does not require a third party. We were born for decentralization. Everyone reading this is part of the decentralization. We are the result of decades of fighting against those who are trying to take our privacy away.

IV - The Electoral System

Polar DANO will be a democratic organization. To do so we will have our constitution written by the community, for the community. To ensure the integrity of the protocol, only node owners have the right to vote. Voting will be done on a transparent and decentralized platform (snapshot.org).

Community members will vote on representatives - the "Senators", who will be in charge of writing project proposals to improve the protocol and the development of the project.

This senate should be equally distributed between large and small node holders. This senate will be renewed every 4 months. At the start, the number of senators will be proportional to the number of holders but shall be no bigger than 250 senators. A senator will be able to stand for reelection if he wishes. The community will have the final say on the senator's proposals through a vote. The senators will propose improvements to the protocol, investments, and strategies. The members of the community will vote on each text by referendum, they will be the only ones able to accept or refuse the proposals.

V - The Multi-Sig Component

We want to set up a multi-sig, composed of all senators. This multi-sig will need the absolute majority of keyholders to agree (i.e. 51%), for a transaction to be carried out. This transaction can be a cash transfer or an action on the owner of the contracts. This process is still TBD. We will count on the proposals of the community to build the safest possible solution for the protocol.

VI - Organizing Polar DANO

Polar DANO has no team; only the community. The members who wish to do so will drive the implementation of this revolutionary DeFi protocol. All types of talented individuals ranging from developers, marketers, strategists, designers, influencers, and so forth will be needed.

Polar will need to be updated by the community. You shall decide on new features and chart the course of Polar DANO.

In parallel, the initial management team will help supervise the transition, under the control of members elected by the community. Once the implementation of the fully decentralized protocol is complete, the historical team will lose its role as a supervisor. They shall have no more power, will not receive any income from the protocol, and will be anonymous again; like the thousands of other members of Polar DANO.

We believe in privacy because we believe in decentralization. We believe that only the community itself can and should ensure its security and integrity.

Polar DANO is sovereign, we are all Polar DANO.

Polar DANO
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