

# Proposal for Payout of Deferred Legal and Indemnification Expenses

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Date: 2023-01-31

## Thesis

Movement DAO's Guiding Principles appointed dao-lawfirm.eth as the DAO's Service Provider. In addition to acting as the DAO's Service Provider, dao-lawfirm.eth also provided legal services to the Authorized Members and DAO's affiliates throughout 2022 and, in good faith, deferred a portion of the commensurate legal fees. Those fees are to be paid in 2023.

In addition, the Members of the DAO ratified Adopt Actions (MIP-004) which indemnifies the DAO Service Provider and Authorized Members, benreed.eth and tankbottoms.eth, for any and all costs, fees, expenses, and liabilities incurred in the performance of their duties as Authorized Members, and/or DAO Service Provider. In response to recent security concerns by certain member's ("Certain Members") that appeared to be malicious, exploitative, and in bad faith, the Authorized Members have approved disbursement of indemnification funds for tankbottoms.eth and benreed.eth, the former Service Provider dao-lawfirm.eth, and core Contributors from hereon referred to as the "Indemnified Members".

## Specification

The DAO Multisig<sup>1</sup> shall transfer DAI 2,558,831 to the Developer Multisig.<sup>2</sup> The Developer Multisig will transfer and disburse the relevant funds to dao-lawfirm.eth and the above mentioned Indemnified Members.

## Deferred Legal Fees

The following represents costs associated with legal services performed by the Service Provider for the DAO and it's affiliates, including (but not limited to):

- Drafting governance documents such as Terms of Service, Privacy Policies, or Opinion letters;
- Drafting documents for the formation of legal entities, and filing those documents;
- Providing agreement templates for use in legal.juicebox.wtf; and,
- Conducting tax estimations and impact assessments.

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<sup>1</sup>The DAO Multisig is a Gnosis Safe at 0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6 on the Ethereum Mainnet.

<sup>2</sup>The Developer Multisig is a Gnosis Safe at 0x2187e6a7c765777d50213346F0Fe519fCA706fbd on the Ethereum Mainnet.

Date	Description	Amount Invoiced	Amount Deferred
2023-01-01	Deferred legal fees from Oct-2021 to Feb-2022	DAI 96,660	DAI 58,831

### Advance for Indemnified Members

The following represents the total sum of disbursements for the Indemnified Members. Each Member has been allocated an advance of DAI 500,000 prior to arbitration, until further notice by the Authorized Members.

Date	Description	Per Member Amount	Total Amount
2023-01-23	Advance for Indemnified Members	DAI 500,000	DAI 2,500,000

### Utilization

The Authorized Members benreed.eth and tankbottoms.eth have reviewed the relevant information and confirmed that this proposal accords with the DAO's agreement with the Service Provider, dao-lawfirm.eth for the payout of deferred legal fees.

The Authorized Members benreed.eth and tankbottoms.eth have reviewed the relevant information and confirmed that this proposal also accords with actions ratified by Members of the DAO MIP-0004 approving indemnification rights to the above mentioned Indemnified Members.

### Risks

- Authorized members may require additional indemnification funds.
- This might not be the most efficient way to accomplish the DAO's goals.
- The funds could be better used somewhere else.

### Snapshot Consensus by the DAO Members

Whereas the DAO through its Members voted to adopt the following actions via Snapshot and resolves as follows:

**RESOLVED:** That the DAO Multisig transfer of DAI 2,558,831 to the Developer Multisig (hereinafter, "Payout of Deferred Legal Fees and Indemnification Expenses") is hereby adopted and approved;

**FURTHER RESOLVED:** That the Developer Multisig shall transfer DAI 58,831 to the account specified by the Service Provider, dao-lawfirm.eth, and that the Authorized Members are authorized to pay and reimburse expenses associated with any additional expenses of the DAO and the DAO's affiliate entities, including without limitation expenses incurred prior to the formation and/or incorporation of the entities.

**FURTHER RESOLVED:** That the Authorize Members further authorize, the Developer Multisig to transfer a total sum of DAI 2,500,000, a disbursement of DAI 500,000 to each of the Indemnified Members and the account its choosing as an advance indemnification as approved in Snapshot MIP-0004, however explicitly approved prior to arbitration, until further notice by this Committee is hereby adopted and approved. Any indemnification funds that are not utilized shall be returned to the DAO.

**RESOLVED FURTHER:** That the Authorized Members convened and are hereby jointly and severally authorized to take any and all actions, along with executing or signing any cryptocurrency transactions, and executing and delivering any other documents, agreements, instruments, and/or certificates as he or she may deem necessary, advisable, or incidental, in connection with the preceding resolution, and other resolutions herein, or any related documents. This also includes authorization to perform or resolve the obligations of the DAO, and/or its affiliates.

**RESOLVED FURTHER:** That any and all actions taken by the Authorized Members to carry out the purposes and intent of the foregoing resolutions prior to their adoption are approved, ratified, and confirmed.

This action by the Authorized Members shall be effective as of the date the DAO receives the consent of its Members via the Snapshot vote. This action by the Authorized Members may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action.

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## Authors

1. 0xA4e6C2B6264652444B3F0cc1bB37496AE916931c