Premise: The DAO should endeavor to decrease incentives for Yacht Club members to deposit their apes in contracts outside of their wallets.

Issues:

Bad actor risk

: As demonstrated by the Paraspace debacle, 3rd parties pose additional risk to the ecosystem that may be difficult to fix upfront.

Concentration risk

: It’s not good risk practice for 5% of the collection to be in one wallet for any reason.

1. BendDao has 466 BAYC in one wallet
2. ParaSpace has 587 BAYC in one wallet

Main drivers of Ape holders risking their apes in 3rd party contracts

Easily Fixable

1. $APE auto compounding
2. Renting out $APE staking rights

Probably not fixable

1. NFTfi (loans, etc.)
2. Custodial exchanges

Fixing the easy stuff

$APE auto compounding

1. The official contract should have $APE auto compounding, both at the contract level and on the front end.

Renting out $APE staking rights

1. Contract should be upgraded such that $APE does not need to be staked to a BAYC/MAYC/BAKC in the same wallet. An upgraded contract should allow for those rights to be delegated to a separate wallet via a solution like Liquid Delegate proposed by delegate.cash or Warm protocol.

Other contract upgrades

1. Add in batch withdrawals so it doesn’t take multiple txns to withdraw from the separate pools.