

Proposal

Stader proposes to whitelist ETHx (Stader's LST on Ethereum) as one of the restaking assets on Eigen Layer.

Abstract

Stader (<https://www.staderlabs.com/>) is a non-custodial multi chain liquid staking platform.

- \$175Mn+ TVL
- Live across multiple PoS blockchains including Ethereum, Polygon, BNB, Hedera etc.
- 40+ DeFi and ecosystem integrations including MetaMask, Ledger, Aave, Compound etc.

ETHx is Stader's liquid staking token on Ethereum.

- Launched on July 10th and has over \$ 70 Mn TVL, 25 Mn+ liquidity across Curve, Balancer, etc.
- ETHx is a highly decentralized LST with 174 unique node operators and 800+ validators
- Smart contracts triple audited by Sigma Prime, Halborn & Code4rena & \$1M Bug Bounty Program on Immunefi

ETHx is built on a very innovative multi pool architecture that is modular and scalable. Currently, it has 2 pools i.e. Permissionless and Permissioned validator pool. Permissionless node operators can spin up validators with the lowest capital (4.4 Eth) on ETHx and receive delegations from the protocol representing a ~7x lower capital barrier than solo staking.

The multi-pool architecture will be complete soon with the addition of the DVT pool, which is being developed and tested https://twitter.com/staderlabs_eth/status/1711749228110749744

Value proposition of ETHx

ETHx's unique value proposition is built upon 3 main foundations: decentralization, scalability and security.

- Decentralization: Anyone can run a permissionless validator. Stader has lowered the barrier to an industry low of 4 ETH + at least 0.4 ETH worth of SD to run a validator.
- Scalability: The multi-pool architecture ensures scalability with a set of permissioned NOs alongside the already mentioned permissionless pool. Stader will also launch the DVT pool as soon as DVT tech has made a public launch.
- Security: Security is a paramount aspect for Stader. Therefore, ETHx architecture has been triple audited by Sigma Prima, Halborn and Code4rena. All the audit reports can be checked here <https://staderlabs.gitbook.io/ethereum/ethx-security/audit-reports>.

On top of that, we have an ongoing 1M\$ Bug Bounty Program in Immunefi [Stader for ETH Bug Bounties | Immunefi](#)

The introduction of ETHx provides an opportunity for diversification, while mitigating concentration risks.

ETHx: How Does it Work?

Users can stake Ethereum and mint ETHx as per the prevailing exchange rate on Stader Dapp.

Link to ETHx Dapp: [Ethereum Staking - Stake Ether & Earn Eth2 Rewards | Stader Labs](#)

For further details on deposits refer to this blog: [Liquid Staking - Best Crypto Staking Platform of 2023 | Stader Labs](#)

In a nutshell, what happens under the hood is that the ETH is sent to the Stader Stake Pool manager, that will allocate the ETH to the different pools on ETHx architecture (permissioned, permissionless, and soon-to-be DVT).

ETHx token model

ETHx follows a c-Token model, auto compounding the staking rewards generated by the ETH staked. As a result, the relative value of ETHx to ETH increases. While the number of ETHx tokens remains consistent (considering no new staking or unstaking activity), the underlying value of the staked ETH rises due to these rewards, prompting its value increase.

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](https://global.discourse-cdn.com/standard14/uploads/eigenlayer/original/2X/4/480e3e4b0add94369812812d81d224b4e2e0934.png)

Stader & ETHx Governance & Decentralization

Stader's governance is led by the Stader DAO - a wide variety of \$SD holders who have a say in key decisions pertaining to the protocol. You can find the Stader Governance Forum forum.staderlabs.com/

For ETHx, we have the Oracle Node Operator Genesis Committee of distinguished community members. You can learn more about the ETHx ONO committee [here](#)

ETHx is based on the foundation of decentralization with permissionless node operators getting majority of the ETHx TVL as demand scales. To achieve this, we aimed to start with an initial allocation to the permissionless pool of 70%, and currently it's sitting at ~85%, as per

- ETHx General Metrics Dashboard: https://dune.com/stader_labs/ethx-general-metrics
- ETHx Node Operator Dashboard: https://dune.com/stader_labs/node-operator-dashboard

The current Node Operator count is 174, making Stader the second highest node count of all Liquid Staking providers, after RocketPool.

The ETHx contract upgrades are managed by Admin time-lock contract with a 6 on 9 Multi sig (2 Stader members and 7 external members) as the proposer. ([Liquid Staking - Best Crypto Staking Platform of 2023 | Stader Labs](#))

Roadmap

Over the next 2 quarters, Stader will be working on the following features:

- Lower the ETH and SD bond necessary by permissionless Node Operators to spin up Ethereum validators on the beacon chain
- Megapools
- Distributed Validator Technology (DVT)
- Ledger Live integration
- Layer 2 Expansion (Arbitrum, Optimism, zkSync, Polygon zkEVM, Base ...)
- Integration into borrowing and lending protocols
- Partnering with multiple wallets, exchanges & custodians
- Increase utility of SD governance token

Synergies with EigenLayer

The high Node Operator count, at 174, is an invaluable asset to EigenLayer, since these represent a meaningful pool of human capital that is strongly aligned with Ethereum decentralization and security. These Node Operators are therefore likely to have affinity to the EigenLayer value proposition, and take an active role in its blossoming ecosystem.

Conclusion

EigenLayer's vision to democratize access to Ethereum-grade security resonates with Stader's vision to democratize access to Ethereum validation services by lowering the entry barriers. We are certain that the inclusion of ETHx LST into EigenLayer's platform will usher in a new era of cooperation between the node operator base of both protocols, significantly increasing the value that both protocols bring to the broader Ethereum ecosystem.

Links

- Website: <https://www.staderlabs.com/>
- ETHx Dapp: [Ethereum Staking - Stake Ether & Earn Eth2 Rewards | Stader Labs](#)
- ETHx Contract: [\\$1,791.29 | ETHx \(ETHx\) Token Tracker | Etherscan](#)
- Docs: [Introduction - Stader - ETHx](#)
- Github: [GitHub - stader-labs/ethx](#)
- LPs: [Curve](#) & [Balancer](#)
- Blog: [Unlocking DeFi Power: Stader Labs' Liquid Staking Insights](#)
- Twitter: https://twitter.com/staderlabs_eth
- Discord: [Stader Community](#)