

As mentioned in another post;

[Proposal #18 - Incentive for DAO participation directed to LDO token owners](#)

1. LP Pools trading fees on top of treasury fees

An interesting concept which I had in mind is to generate fees on top of fees. A smart contract that users can supply with their LDO which sends it to a liquidity pool (LDO/ETH) to accrue trading fees. On top of that, the user will accrue treasury fees (mentioned above) by participating in the DAO. Once a user decides to withdraw their rewards, they can choose to withdraw their LDO + the Lido treasury fee (presumably paid in ETH) + LP fees (paid in ETH) and that profit was then used to stake back in Lido

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This seems like something a vault would be useful for.

Is it possible to incorporate the possibility of participating in a DAO if the LDO tokens are locked in a liquidity pool? I assume that the contract would have to move the LDO tokens from liquidity pools to the governance smart contracts when a user decides to vote.

Now, if that is too much of a hassle, what if users were supplied with a synthetic LDO (stLDO), similar to stETH, that represents their share in governance and follows the same burn and mint function as stETH, and users can use this stLDO to vote in the DAO while also accruing LP rewards!?