

[This message was originally posted on Optimism Discord #gov-general

on Nov 9 2022. Replicating it here per the request of Lavande]

We have been working with the OP Foundation and provided them with all requested information and will continue to work with them as needed. All assets have been returned to Optimism and all OP tokens repurchased.

As noted by [@lavande](#)

there was not a no-sale policy in place when we received our grant and at the time. That being said, we had no intentions of moving any OP assets off chain under normal circumstances. To clarify, this is the event that caused our team to jump into action and move all our assets: [Optimism Token Flash Crashes 10% on False Rumors of a Major Hack](#)

At the time DAO team members reached out to the Foundation and other members in the community and received very little information or understanding of what was happening. While the exploit proved to be false, no one knew it as it was happening nor the extent to which it would affect the chain. We reacted quickly in the moment while also continuing to follow through on our governance proposal. It was decided to protect the assets in order to compete the original proposal should there be a larger issue with the chain. Hindsight is 20/20 and our team agrees that once the dust had settled the tokens should have been repurchased in the days following. Instead, we move asset back bit-by-bit and continued to build out the NFT and the OPIncubator program during this time with great success. We also launched two other NFTs on OP and continued to build on the chain. As a DAO we are focused on driving TVL and usage to L2s, and Optimism is a big part of our focus.

As I explained in my post on the gov forum earlier, we've been steadily buying back OP since the initial sale in order to fulfill the proposal obligations (and we were going to continue that until all OP was repurchased). We also have been distributing those tokens as part of fulfilling our proposal. 91,050 OP as of 11/9/22 has been spent in accordance with the proposal and the balance remains in the multi-sig as you have already seen. Last week we awarded an additional 27.5k OP tokens in our second round of the OPIncubator program that will go out shortly to the grant recipient project.

There continues to be a dialogue that somehow Layer2DAO made a \$200k profit in this process. The statement is categorically false and the narrative is being pushed while knowingly being false in order to harm Layer2DAO as part of a personal vendetta by Velodrome team members against one of our team members (as they confirmed on the governance call yesterday). The attached spreadsheet shows all the transaction amounts, as well as the delta in value of the ETH opposed to OP. The drop in value of ETH is roughly 30% and the drop in OP token value between sale and repurchase was 32.27%. As you can see from the repurchasing line items it was often down at a loss to the original sale value as ETH dropped faster in value up until October. It has always been our intent to repurchase all tokens and fulfill our obligations to our governance fund proposal. The spreadsheet does not include bridging and swap fees, which have been substantial.

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op-trades

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](<https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/f/f31f3ff30630af7f9cb516a9069a787bc48113f1.jpeg>)

We have continued to develop new projects in the OP space and will continue to do so. The intimidation and fear mongering towards other protocols by Velodrome team members seems counter productive to the Foundation's goals for OP governance and the health of the community. We really hope the larger governance community and the OP Foundation can see through this and stop OP governance from being turned into a playground for bad faith actors who want to use it for carrying out their personal vendettas.

Our goal is to be positive contributors to the Ethereum Layer 2 community, and have been cooperating with the OP Foundation every step along the way and provided complete transparency. I am happy to answer any further good faith questions directly.