Abstract |

Last month the ApeCoin DAO community approvedAIP-98 for Snag Solutions to build an official marketplace for ApeCoin DAO - enabling the sale of Yuga NFTs with reduced marketplace fees. As part of that proposal we agreed to set aside .25% of each transaction in a community-held Gnosis multisig until a use of funds is voted on by the community.

The purpose of this AIP is to:

1. Propose to use the .25% as a funding source forAIP-124 - the 'Thank APE' proposal.

2. Summarize other top options for use of funds we've heard from the community, and clarify why we believe Thank APE is the optimal use of funds.

3. Collect community feedback to ensure our decision-making fully reflects the desires of our community.

Note:

until a new AIP is voted on and implemented we'll route all funds to the multi-sig as agreed, and can re-route from the multisig when the use of funds is agreed on in a follow-on proposal. This AIP will only go to a vote if AIP-124 passes.

Note #2:

We received feedback from several community members in the 'AIP Idea' phase that it's worth scoping how the DAO can be set up to accept funds so we have the option to route extra funds back to the DAO in the future. I split this out as a separate proposal since this piece will require budget + move on a slower timeline.

Motivation |

Last month there were several proposals for building an official marketplace for ApeCoin DAO. While only Snag Solutions was approved, it opened the question of how the DAO should use new revenue streams, since ApeCoin Foundation isn't legally set up to receive revenue today.

In the interim, we proposed routing the new marketplace revenue stream to a multisig to ensure we're driving value for the DAO via marketplace usage while giving us the space and time to determine use of funds in a separate proposal.

Sharing an overview of the options generated via community feedback re: uses of funding in our previous proposal:

1. Burn the funds

2. Pros: Burning $APE increases the value of remaining $APE ~proportionately to the amount burned so all holders benefit. See the impact of EIP-1559.

3. Cons: $APE is an important currency for The Otherside and the interoperable metaverse. Thus, this may have potential future negative consequences. Additionally, this may increase the risk that $APE is viewed as a security.

4. Route funds directly to charity

5. Pros: the proceeds go to a good cause, voted by the community, and ApeCoin gets a publicity boost.

6. Cons: Holders + our community doesn't have the option to receive any benefit from this themselves.

7. Ask Cartan Group to scope and execute the set up of a new legal structure that can accept and choose how to deploy funds. Separate proposal on this here.

8. Pros: Directly provides value back to the DAO.

9. Cons: The DAO was set up to disperse funds and disband after serving its purpose. Additionally, there is some increase in risk $APE is viewed as a security.

10. Point funds to Horizen Labs staking contract

11. Pros: all stakers receive $APE proportionally similar to burning.

12. Cons: implementation path is unclear but having exploratory convo with Horizen Labs. Also potentially risky legally and rewards those with large stakes already.

After weighing all options, we propose using marketplace funding to incentivize DAO participation that will drive long term value for holders and for the ApeCoin DAO community. These behaviors could include: voting in SnapShot, engaging in Discourse, building value-creating infrastructure, listing or buying NFTs on the marketplace, and much more.

1. Pros: Assuming AIP-124 passes, we will have the infrastructure to incentivize contributions to our DAO that create the most value for our community. We can then work with the Thank APE Advisory Board (OG Apes) to continuously optimize value creation over time.

2. Cons: Some of our largest holders may not want to participate and this proposal doesn't drive direct economic value via token price. Instead, it rewards inputs that lead to long-term value accrual.

We are excited about the approach of AIP-124 for the following reasons:

1. It aligns value-creating marketplace behaviors with value-creating DAO behaviors. As people use our marketplace, it will doubly support the DAO: by encouraging more contributions and by rewarding the community members who contribute value!

2. It exemplifies the intended power of the ApeCoin ecosystem: different initiatives working together to create potentially exponentially more value for ApeCoin than they can alone!

Based on feedback we'll also file a separate AIP to scope setting up the DAO to accept revenue in the case there's excess revenue in the future that can be better used elsewhere.

(Recommended reading: AIP-124)

About Us |

@Zheerwagen is CEO of Snag Solutions and a BAYC, MAYC, and ApeCoin DAO member. I am drafting this proposal as a member of the ApeCoin community: I believe an optimal use of any funds we generate for the community would be to give back contributing members of our community as part of ThankAped during their 6-month pilot!

If other community members believe a different use of funds will drive more DAO value I encourage you to provide feedback via comment so we can incorporate. If there's a clear community preference for another use of funds I'm happy to adjust the proposal.

Snag Solutions creates white label marketplaces to help NFT creators take control of the buying experience and reduce fees for holders. They were recently approved to build an official NFT marketplace for ApeCoin DAO and work with Goblintown, Crypto Chicks, and others.

ThriveCoin makes it easy for DAO communities to auto-reward and auto-recognize their community members for the value-creating contributions they make across platforms. They've proposed to help ApeCoin DAO drive engagement in AIP-124 and already work with large organizations like Bankless DAO.

Incentivization decisions will be driven largely by the ApeCoin OGs who have volunteered for the Thank APE advisory counsel above.

Rationale |

The goal in setting aside .25% of every transaction is to ensure ApeCoin marketplace usage benefits the DAO. But because any behavior from a small group of individuals that directly increases token value could cause $APE to be viewed as a security we must tread lightly.

We prefer the approach of AIP-124 because:

1. It directly invests proceeds into the ApeCoin community - rewarding community members who create value for the DAO.

2. It enables us to reward contributions that will drive long-term value for our ApeCoin community including marketplace usage.

Specifications |

We propose to route the full .25% in proceeds to the Thank APE funding account (managed by the Advisory Board of OG Apes) as a natural funding source for community rewards. If Thank APE isn't renewed we'll route funds back to the Gnosis multi-sig until a new use of funds is voted on.

The table below gives a sense of potential contribution in $$ based on total Yuga sales and the % of sales made on the ApeCoin marketplace.

Thank APE will reward ApeCoin community members who list, buy, or use other ApeCoin marketplace features. This is an addition to the other platforms where ApeCoin DAO members communicate:

- Discourse
- Snapshot
- Twitter
- ApeCoin Marketplace

- more…

(The below section is pulled directly from the Thrive AIP):

We recommend using the ThriveCoin technology to:

Auto-validate ApeCoin DAO contributions:

- Auto-validation of activities across all relevant platforms (e.g. Twitter, Discourse, Snapshot, etc)
- Granular control over specifically what activity to reward
- Platform-specific quality control filters to greatly reduce fraud risk

Auto-thank ApeCoin DAO contributions on-chain:

- Auto-validated contributions are automatically recorded on the Mumbai network, Polygon chain
- All contribution details are logged in an IPFS file (blockchain storage) referenced in the on-chain record

Auto-reward ApeCoin DAO contributions with APE and charitable contributions:

- At the conclusion of "Seasons", contributors will receive APE as rewards for their contributions.
- If their APE earned is above a certain threshold (likely average gas fees) they can keep their reward OR donate their reward to charity.
- If their APE earned is below that threshold, their rewards will automatically be allocated to a charity.

Timeline & Steps To Implement |

1. Thank APE vote approved, and Thank Ape system[confirmed secure](#) prior to launch.

2. Funds pointed to 'Thank APE' wallet and utilized when they launched in November. If funds have accrue to the multisig prior to a vote we'll send those as well.

Overall Cost |

N/A - we'll use the marketplace funding source

In addition to cost not being a factor, we believe this proposal will create enormous value for the DAO and for all of our community members.