

While more transparency and better communication is a MUST NEED from the team, this present occasion is being used by competitors and those against Arbitrum to attack an opponent.

Regarding the 750m tokens for Arbitrum Foundation, its not an unreasonable proposal. As the team have said in their clarification, many token foundations have big allocations. Polygon is able to partner with big web2 companies like Starbucks and Nike and pay to get projects like DeGods to Polygon chain. These cant be done without ample funds at their disposal. Polygon controls a huge % of their token supply and there is no DAO, none of the decisions are subject to oversight. All the decisions are made by the team in centralized manner. The same can be said about any other sizeable project in the Defi/web3 space. Its the norm, and not the exception in today's web3 state.

Another L2 chain, ImmutableX has also been making big payments to companies like GameStop. ImmutableX gave GameStop \$100m IMX tokens to further the adoption of ImmutableX.

Immutable granted 56,209,850 IMX tokens, just to one web2 company GameStop to make a partnership.

<https://gamestop.gcs-web.com/static-files/713417ad-e18f-4f2c-bc1c-312f536d8b36>

As soon as GameStop received the tokens, they dumped a third of it.

[Decrypt – 4 Feb 22](#)

GameStop Dumps \$47M in Immutable X Tokens Following Ethereum NFT Marketplace...

IMX is down 23% over the last 24 hours as GameStop cashes in a significant chunk of its token grant after yesterday's announcement.

These are business decisions that are required if any web3 project has to grow today by creating fruitful partnerships with web2 companies.

Similarly, even Optimism Foundation is well funded and they are able to get partners like Coinbase.

Do we wish to see Arbitrum not have any future growth? No.

Crypto especially L2 space is fast heating up with heavy competition. Many projects are in the space trying to tie up web2 companies to move to web3, launch NFTs, tokens, use dapps etc.

Arbitrum is already in partnership with big companies like Reddit.

These things cost a lot of funds to nurture and grow. One cannot immediately put a fixed cost on nurturing such partnerships over the long term. Usually, they are the result of several weeks or months of work, backed by a team that does not have financial constraints.

Presently, Arbitrum is the 4th largest DeFi project in terms of TVL, only behind Ethereum, BSC and Tron. If we have to grow this even further, the Foundation must be able to bring in the kind of partnerships and adoption that other teams like Polygon, Immutable, Avalanche etc are able to get.

Considering these and the need to bring about adoption of Arbitrum chains, so that the Arbitrum DAO can eventually benefit, the 750m token grant to Arbitrum Foundation is not unreasonable. Arbitrum DAO at present controls 42% of the total token supply in its treasury. Making the 750m token grant to seed Arbitrum Foundation will bring Arbitrum DAO Treasury's holdings down to ~34% while Arbitrum Foundation will be in a strong position for few years to grow the network, onboard well known partners to the Arbitrum ecosystem and bring about wide adoption of the network, which will benefit the Arbitrum DAO immensely.

The opposition towards the 750m funding to seed Arbitrum Foundation seems to be misplaced. At the moment, many competitors are using this occasion to attack Arbitrum, while they themselves have a big centralized treasury that they control and use to onboard partners. If Arbitrum Foundation is not well funded, the Arbitrum chains and networks will be left behind completely and Arbitrum DAO as a whole will suffer.

However, the main things needed from the team are transparency around actual unlocked token at present, future unlocks and transparency on how they intend to use the 750m tokens. They cannot just claim the tokens are locked, then the community finds out that its not actually locked but has been sold. That is a bad situation that must be completely avoided.