

Proposal Name:

Rescue Rari Hack Victims with frozen Apecoin collateral in Fuse Protocol

Proposal Category:

Core: Ecosystem Fund Allocation

Abstract | In April 2022, DeFi Lender Rari Capital/Fei Lost \$80M in a Hack, with various assets including ETH, FEI, FRAX, RAI, DAI, USDC, LUSD, wstETH, USTw, WETH, USDT being drained from collateral pools. With borrowing frozen, victims have not been able to withdraw their collateralized Apecoin from Fuse pools.

- More details and public record: [DeFi Lender Rari Capital/Fei Loses \\$80M in Hack](#)

One of the “Fuse” pools within the Rari Platform which allowed collateralization of ApeCoin, Pool 127, was among the many that were compromised: <https://app.rari.capital/fuse/pool/127>

While Apecoin itself was not drained, the collateral is now frozen adding up to roughly 300,000 Apecoin, and there is no clear roadmap to these funds to be withdrawn after months of silence from leadership at Tribe/Fei, and many of them have disbanded. While their DAO has partially repayed hack victims, Apecoin holders who provided collateral are not eligible for direct hack repayment and are reliant on a volatile protocol that may not provide an opportunity to reclaim funds.

This proposal seeks to leverage the goodwill of the Apecoin DAO and community to grant Rari Fuse pool 127 victims with UP TO 131,383 Apecoin so impacted members of the community can be made whole. (Based on calculation on Dec 23, 2022)

Motivation | This relatively low cost action would help deploy Apecoin treasury reserves in a meaningful way that would create significant goodwill for the community and generate positive PR around the strength of the DAO. There are several notable figures in the community who would benefit from this action, who would certainly amplify a positive outcome.

Disclosure: The creator of this proposal Bored.eth has approximately 30,000 Apecoin position in the Fuse pool that was impacted. If this proposal is approved, a detailed accounting of Apecoin victims and respective collateralized Apecoin that are frozen will be provided to Apecoin Foundation administrators.

Rationale

It is important for Apecoin to be held and deployed by active members of the community. Putting these tokens back into the hands of community members provides an opportunity for them to build value for the apecoin ecosystem and add value for other members.

Specifications

To avoid any risk associated with the Fuse Pools residing in the Rari Capital application, this proposal suggests granting victims Apecoin directly via a multisig wallet managed by Apecoin DAO and executed by administrators of the DAO. Impacted wallets would be gathered via public on-chain platforms such as etherscan.

Steps to Implement

1. Upon successful vote to move forward, an accounting of frozen Apecoin collateral is provided to Foundation, inclusive of wallet IDs and amounts. An update will also be shared via Discourse to inform victims of the hack.
2. Victims will have 30 days to reach out to the foundation in the rare case that they no longer can access the impacted wallet where repayment funds are intended to be sent. If this is the case, proof will need to be provided by the victim that they are indeed eligible and approval of this proof will be at the complete discretion of the foundation's administrative team.
3. Funds will be dispersed promptly to hack victims via Airdrop to impacted wallets.

Timeline | The goal would be to execute this program in Q1 2023.

Overall Cost

131,383 Apecoin