

Posting on behalf of Lido DAO founders:

Summary

"We propose that Lido sells 10% of the LDO token supply (100m LDO) for a total of 21,600 ETH to [Paradigm](#) and other strategic partners.

For Lido to flourish as an autonomous, self-governing collective, it is necessary to harness a broad range of the best participants in Ethereum's DeFi ecosystem.

By having Paradigm and others become members of the Lido, this proposal will help guide development, facilitate vertical integration of stETH in Ethereum's DeFi ecosystem and bolster Lido's position as the market-leading solution for staking tokens.

We believe this will benefit Lido and propose to finalize these transaction terms in a Snapshot vote to execute the deal in the coming weeks.

Motivation

Paradigm's support for DeFi projects and in-house expertise (including smart contract developers and security experts) positions it as a premiere participant in the DeFi ecosystem uniquely positioned to lend its expertise to LidoDAO governance and serve as a liaison to other DeFi project teams who can help further decentralize LidoDAO's community.

The other strategic partners who will acquire LDO in the transaction will play a similar role.

Purchase Structure

Terms

We jointly propose the following terms:

- 100M LDO (10% of supply) to be sold by the DAO treasury at a purchase price equal to 21,600 ETH.
- Paradigm Fund LP to acquire 7%, or 70M LDO.
- Other strategic participants to acquire the remaining 3%, or 30M LDO tokens, with the exact makeup of this group TBD.
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- Acquired tokens will be locked with a 1 year cliff and 1 year linear unlocking schedule.
- Full voting power will be granted immediately upon closing of the sale, notwithstanding the lockup period.

Pricing

We believe this is an appropriate marketable price of LDO to provide these new strategic partners with "skin in the game," enabling them to become independently incentivized participants in the LidoDAO.

Factors we have taken into account in proposing the price at which LDO are to be sold include:

- Liquidity: LDO tokens have limited liquidity with a small proportion of tokens available in the market float (~1.97% at present).
- Traction: The price appropriately values the project's underlying traction to date, representing roughly a 60-65x multiple on the current LidoDAO fee stream.
- Value-add: We believe Paradigm and other strategic partners will be valuable to the future decentralization and growth of Lido's ecosystem.

About Paradigm

[Paradigm](#) is a San Francisco-based crypto investment firm founded by Fred Ehrsam and Matt Huang. The firm makes investments focusing on crypto and blockchain technologies from the earliest stages of ideation through maturity. You can learn more about Paradigm's team [here](#).

Paradigm has strived to partner with its portfolio investments by providing valuable input on product and technical strategy. The team actively contributes to protocol research (examples include [Flashbots](#), [Yield Protocol](#), [Uniswap V3](#), [Optimism](#)), [writing code](#), and, in some cases, [auditing](#) codebases.

Paradigm's research team has evaluated MEV and PoS systems and openly contributed to community discussions about its interplay with DeFi and L2 scaling. Further, research has extended into stETH and other staking tokens as an emergent unit of account in DeFi.

Update - Snapshot vote is active here: [IDO, IEO & ICO List: New Crypto Coins Rated by CoinLaunch](#)