

## **PROPOSAL NAME:**

DAO restructure

## **PROPOSAL CATEGORY:**

Process

## **TEAM DESCRIPTION:**

Individual holding 81 \$APE

## **ABSTRACT:**

This proposal restructures the ApeCoin DAO to efficiently manage the treasury (after operations) and to limit outflows to high impact projects that create new use cases for ApeCoin that are broadly applicable to the community at-large. These changes make investments in ApeCoin focused ventures/venture funds the primary method of treasury distribution and add an expectation of return to protect the longevity of the treasury into future generations.

## **BENEFIT TO APECOIN ECOSYSTEM:**

The premise of this AIP is that the ApeCoin DAO in its current form is without clear direction and is ineffective as a steward of the treasury. Yuga Labs launched ApeCoin as a benefit to BAYC members and as a token to be used as a currency in Yuga games. This author's anecdotal observation is that \$APE flows other than speculation and payments to/from Yuga have been negligible. The token is highly inflationary. Only 15% of tokens were distributed to the community with 47% given to the treasury and 38% held by Yuga or Yuga-affiliated persons or entities. The token has lost 73% of its value in the past one year and may continue to decline as tokens unlock over the next 18 months. The existence of a large treasury that can be accessed for any arbitrary use case, with or without benefit to \$APE holders, compounds this risk. Declines in \$APE price negatively affect the purchasing power of the ApeCoin treasury.

This AIP introduces the following changes:

- The Special Council (SC) will be directed to adopt a new mission and vision aligned with creating new use cases for ApeCoin that are broadly applicable to the community at-large. The SC will be responsible for developing and applying a litmus test for whether an activity meets this criteria.
- The AIP process will be modified to allow proposals in the following categories: (1) DAO governance (process/structural changes without associated costs) (2) budget allocation for routine operations; (3) allocations for investment; or (4) special proposals. A special proposal has no constraints but requires a majority vote of \$APE holders and can be vetoed if motioned and seconded by SC members.
- The SC will be entrusted to minimize the cost of ongoing operations and act as a fiduciary of the ApeCoin treasury by reviewing and approving investment decisions that align with the DAO's mission and vision. The DAO may act as limited partner (LP) in a purpose-built venture fund closely aligned with the DAO's mission and vision or the DAO may invest directly in a project.
- The SC will be responsible for architecting and supervising venture funds, conducting searches for venture fund executives, and performing due diligence on direct investments. The SC's funding decisions will be based on both alignment to mission and vision AND expectation of profit, which may be returned to venture fund executives (as applicable and in alignment with industry norms) and the ApeCoin treasury.
- It will be the goal of the SC to grow the ApeCoin treasury to ensure its sustainability and increasing impact to benefit future generations.
- Investments or other outflows that do not align with the DAO's mission and vision or do not have a reasonable expectation of profit are permissible via a SC initiated AIP, subject to a vote of \$APE holders.
- The SC may take no action if conditions are unfavorable for investment or suitable opportunities are not available or in the best interest of the community.
- The SC will be accountable to community transparency and communication, which will include publication of investment memos with due diligence, development of key performance indicators (KPIs), and quarterly reports that measure both financial performance and delivery in the context of the DAO's mission and vision.
- The ApeCoin DAO (including any affiliated entities) may not offer securities or engage in any activity that may be perceived as establishing an investment contract with current or prospective \$APE holders.

## **KEY TERMS:**

N/A

**PLATFORMS & TECHNOLOGIES:**

N/A

**STEPS TO IMPLEMENT & TIMELINE:**

- The SC will avoid posting any new AIPs under the former structure
- The SC will conclude all outstanding ApeCoin DAO business not related or aligned to this AIP within 30 days.
- The SC will draft a new mission and vision and present it as an AIP for community vote within 30 days.
- The SC will update any documentation to reflect new rules and procedures aligned with this AIP within 30 days.

**OVERALL COST:**

N/A