

Proposal Name:

Establish a process to manage issues of stolen property

Proposal Category:

Process Proposal

Abstract

Our Ape community is a unique community and one of the most visible leaders of the web3 movement. For us to continue to thrive and expand, we must do a better job protecting the fundamental rights of our community members. To uphold one of the most fundamental property rights, this signaling proposal has been submitted to gather community feedback on whether the DAO should minimize giving benefits or incentives to those who steal NFTs.

Meaning of Your Vote

Voting yes on this proposal signals that you want the DAO to put together a plan for minimizing, to the greatest extent possible, any future benefits given by the DAO to those who have stolen NFTs. Voting yes on this proposal also signals that you are in favor of the DAO putting together a plan to include, to the greatest extent possible, any future benefits the DAO can provide to legitimate victims of stolen NFTs (whether those are innocent buyers or those who have been stolen from). Voting no on this proposal signals that you do not wish the DAO to alter any benefits, even though those may be given to those who have stolen property. As a signaling proposal, no specific action or policies will be implemented if this proposal passes or is rejected.

Motivation

The NFT space is no stranger to stolen property, including highly-publicized theft from our community. [See (1) below] To add insult to injury, as projects like ours layer in additional value for current holders, the loss sustained by victims of theft compounds.

NFTs can be stolen in various ways, from brute force attacks to highly sophisticated social engineering campaigns. No matter the means of the attack, it is primarily the case that when an NFT is stolen, the community can do very little for the former holder.

This signaling proposal is drafted because this community does have the ability to do something about these tragic scenarios. With the proper tools and policies, we, as an Apecoin DAO, can take some remedial action.

Obviously, the DAO has no power to change the owner of a stolen NFT on the blockchain. However, where the DAO is in a position to provide benefits to holders of certain NFT collections, it could choose to modify the distribution of future benefits to account for stolen NFTs.

Rationale

Thieves should not be welcome within this community, and the victims of theft should be taken care of to the greatest extent feasible. Our community should lead in helping the greater NFT ecosystem create viable solutions, not simply throwing our hands up and saying, "sorry for your loss."

Some within the greater NFT ecosystem have taken the perspective that because the immutable record on the blockchain shows a particular address owns an NFT, nothing can be done to help the victims of stolen NFTs. Others within the community note that a thief can simply accept a WETH offer on an NFT and pass the property to an innocent buyer within a few blocks of the theft occurring, and as such that there is nothing we as a community can or should do to help mature the ecosystem.

These are not the perspectives of the drafter. We know there is a class of NFTs that have been stolen, can be proven to have been stolen, and as such, should be treated for what they are: stolen property. We accept that this issue is thorny and strongly connected to the personal responsibility of holders and innocent buyers, but we do not accept that there is nothing that can be done. We do not accept that the current reality of the ecosystem and the current policies in place by NFT platforms define the realm of the possible or beneficial. We wish to see things improve for victims and innocent buyers alike.

Specifications

Should this proposal pass, the DAO will seek to impanel a group of experts and community leaders (more on this below). This volunteer panel will be asked to do something never done before. Namely, it will be asked to design a set of policies and tools that will compromise a solution to minimize the benefits given to those that have provably stolen NFTs and, where possible, redirect those benefits to the "rightful" owner of those NFTs.

To accomplish this goal, the panel will design a procedure for the DAO to certify that a particular NFT has been stolen as

well as a mechanism to not provide a contemplated benefit to the holder of that stolen NFT. Further, such a process could then certify that it is the DAO's position that the victim of the theft was the rightful owner of the NFT and, to the extent possible, should be entitled to the contemplated benefit. The panel will also need to address how to recompense any innocent buyer of the NFT who unwittingly found themselves in possession of the stolen property due. Finally, the panel will need to address how the DAO will define what it means for an NFT to be "provably stolen."

Designing such a process will require a broad base of input from across the community, which is why such a process has not been included in this proposal. This proposal will resolve the question of whether the DAO should do something. The designed system, presented in a separate proposal, will propose the how.

Steps to Implement

As this proposal is simply a signaling proposal, the steps following this proposal's passing will be to build the implementation plan. Here is how the drafters plan to accomplish that.

Phase 1 - Implementation Design

Once this signaling proposal has passed, a group of technical experts, community leaders, and legal engineers will be assembled to build a detailed implementation proposal. The drafters will assemble this panel in collaboration with the Ape Foundation in its secretarial capacity. The panel's mandate will be to survey the technical and community challenges to implementing a solution, address these challenges via thoughtful design, and ultimately build a proposal that will begin to solve the noted problems. Once the panel has satisfied itself with an initial design, then phase 2 will begin.

Phase 2 - Refinement and Consensus Building

After the panel has developed a design, the next step would be to socialize that design across stakeholders within the ecosystem. The purpose of this phase will be to gain early feedback on key challenges the implementation design may face that the panel did not identify and to kickstart the general community feedback process to ensure a smooth passage of the implementation proposal. This phase will end when the implementation proposal has been submitted to DAO governance.

Timeline

As noted above, there will be two distinct phases following a successful vote to implement this proposal before a follow-up implementation proposal is submitted. It is expected the first phase will take 1-2 months, depending on the availability of the panel members. It is expected the second phase will take 2-8 weeks, depending on the responsiveness of stakeholders as well as the nature of their feedback.

Overall Cost

As this is a signaling proposal, there is no cost to implement. Should the community desire to move forward with the proposal, a detailed costing will be attached to the implementation proposal put forward by the panel of experts.

(1) A few examples of publicly known NFTs that have been stolen from the members of the community:

- 4 BAYC + 6 MAYC lost during the Instagram hack: [Bored Ape Instagram account hacked: NFTs worth \\$2.8 million stolen](#)
- 1 BAYC + 2 MAYC lost by Seth Green: <https://www.artnews.com/art-news/news/seth-green-nfts-hack-bored-ape-1234629220>
- 4 BAYC + others lost by Todd Kramer: <https://www.artnews.com/art-news/news/todd-kramer-nft-theft-1234614874>
- 7 BAYC + 5 MAYC lost by Larry Lawliet: <https://www.theblockcrypto.com/post/132567/nft-collector-loses-2-7-million-in-bored-ape-nfts-and-derivative>