

FACTOM COMMUNITY

MEETING MINUTES

Factom Guides

Meeting #23

2018-09-24

VERSION	DATE	CHANGED BY	CHANGES
0.1	2018-04-07	Tor Hogne Paulsen	First draft for guide review.
1.0	2018-04-09	Tor Hogne Paulsen	Version for general use in the Factom community.
1.1	2018-04-12	Tor Hogne Paulsen	Added more fields for metadata.
1.2	2018-04-15	David Chapman	Updated, “Chairman” and, “Secretary” fields.

Note: This version control is for the Template, not the individual meeting minutes.

Date and time of meeting	2018-09-24, 20:00 UTC
Date minutes drafted	2018-09-24
Date minutes approved	
Organization/Team	Factom Guides
Attendees	Factom inc (Brian Deery), , DBGrow Inc (Julian), Canonical ledgers (Sam), Centis BV (Niels Klomp), The 42ND Factoid LTD (Tor)
Members not in attendance	
Other attendees	
Meeting Leader	Factom Inc (Brian Deery)
Meeting Secretary	The 42ND Factoid LTD (Tor)

Subject 0	<ul style="list-style-type: none"> - Roll Call - Approval of minutes from previous meeting on 2018-09-10.
Discussion	
Conclusion	Roll call complete (full attendance). Meeting minutes from last meeting. Minutes approved.
Follow up	

Subject 1	Exchange Committee Request for Consideration (Sam)
Discussion	<p>Sam: The exchange committee is planning for applying for a grant for the next round (listing fees for exchanges).</p> <p>Two issues: We don't need the actual amount now, and we might not know the amount at the time of the grant being paid out.</p> <p>The amount might be a very large portion of the grant pool, and we believe it might not be approved by the community due to its size.</p>

	<p>We found a solution, but we want the guides to look at this first.</p> <p>The idea is that instead of applying for the full amount we'd require for an exchange listing, but apply for a smaller grant this round; and also do that for consecutive rounds. An issue with this might</p> <p>Brian: As a grant this can be issued to an address and just be held until it is required. You don't need to wait for another grant round. So that would give more autonomy to the exchange committee.</p> <p>Sam: That is something to consider; but what we don't like about that is that we might run into legal issues as someone has to control those factoids in that orders; and we would send directly from an entity to an exchange. What we would prefer is to reserve those in the grants; and have it allocated directly to an exchange. The logistics of having a single entity holding those will lead to legal issues.</p> <p>Julian: Also there might be tax implications on that.</p> <p>Brian: Some of my commentary I will have from this; it is difficult for one governing body to bind the hands of a future governing body.</p> <p>Sam: Can you elaborate on that?</p> <p>Brian: At the community consensus layer we can agree that some fraction of that is confirmed, and I know that some exchanges are a dynamic situation where prices change etc. It is really not a specific argument against, just a thought. If no action is taken then as far as the payout goes its potential budget.</p> <p>Sam: Yes, that is maybe more of an advantage; as we don't actually pay it to an address, then maybe as the exchanges list FCT without a fee, then we could revert it to the pool. To me this is actually more than an advantage.</p> <p>Brian: I do worry about the precedent that is set, for preallocating stuff in the future. Are exchanges willing to take installments?</p> <p>Sam: Possible, but unknown at this point.</p> <p>Niels: I was thinking, it is something we could socially enforce. One of the things in the new grant document is that you cannot have any grants longer than 3 months. This would negate that fact, but if we all agree it means that we could set aside X amount, and I don't see that changing very soon tbh. It is not like we are saying; we are going allocate this amount for the next 10 grant rounds.</p> <p>Sam: We are not expecting any special treatments, and we would apply each round. We do not ask for the community to allocate this over many times.</p> <p>Niels: Depending on the size of the grant pool, a lot of the standing parties are in agreement that exchanges are an important part, as we lack large exchanges. If the grant proposal is ok I don't imagine people not voting for this.</p> <p>Sam: It seems like there are no hard locking issues for this, and the next step will be to bring this to the ANO and see what the general opinion is on that, and we'll go ahead and write the grant if it seems ok. A large grant (30-50%) of the pool might not be</p>
--	--

beneficial as it might take away grants from other important projects.

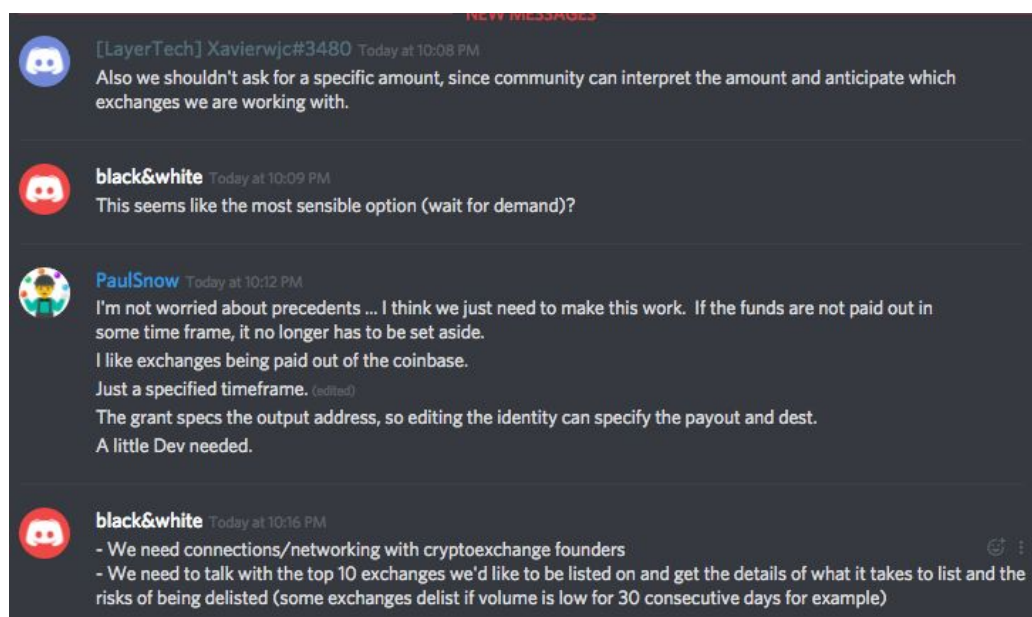
Niels: You talked about setting it aside, and that it could be absorbed back into the grant pool if they are not needed; we need some really good language for this. You need to list FCT-addresses in the proposals etc...

Sam: I agree, and I realize that this contradicts some of the parts of Doc 152 (grant document) that we just wrote up. It's a pretty recent idea. There is nothing here that we cannot solve, and we have not completely finalized doc 152 so we still have room to fix this.

Tor: (Supportive comment).

Sam: Our hope is to pay the exchanges in FCT if they accept this.

Niels: Yes, the exchanges will need FCT, and we hope they will accept this.



Sam: The specific amount would not be tied to the exchange-listing, because it would be some fraction of that and some unknown fraction. I don't really see too much of a way around that, and exchanges do not publish their exchange listing fees publicly; the only things I have seen is estimates and guesses, and I think there are negotiations involved as well.

Brian (Reiterates comments from the floor)

Sam: For Pauls comment; Yes. Agree. The way to do it would be that the final grant that the exchange committees applies for has the address specified.

Black and whites comment: We are working with that. We have a couple of new ANOs that has connections to that world. The exchange committee has identified some exchanges we are approaching. The tricky thing here is that some of these exchanges are not wanting to talk about coins that will be listed. We will publish what we can, and I suggest that people read the updates the exchange committee puts out.

Conclusion	
Follow up	

Subject 2	Next grant round - status?
Discussion	<p>Niels: We talked about it last week as well. I incorporated some suggestions by others, and added templates that people might use for the grants themselves. One of the things we said last meeting was to release it to the wider audience to get input. I would like to get it out basically today. I think after the meeting we will have some more discussion about it and push it out ASAP.</p> <p>Sam: We can do that. There are a few small tweaks left, and timeline and voting and then we can put it out.</p> <p>Tor: We post the draft on the factomize forum and have it reviewed for a week, right?</p> <p>Niels: My suggestion would be to do at most a week of commentary, as we can get a lot of input in a few days and make changes. I don't need it thinks to take that long. And then a legal review.</p>
Conclusion	Putting out doc 152 for community review.
Follow up	

Subject 3	Onboarding status (Brian)
Discussion	<p>Brian: At this point there are 3 ANOs ready to be onboarded. They are reporting in that they have their nodes up and running, so at this point it is on my plate to do the audits and bring them on board. Looking forward to have 3 new operators here. Presumably they will be in our ANO meeting on thursday.</p> <p>Tor: Still aiming for end of the month for onboarding?</p> <p>Brian: End of the month is a good goal. We'll see how much other guide stuff precedes that...</p>



Conclusion	Proceed with onboarding as planned.
Follow up	Brian does his thing.

Subject 4	Follow up: tasks from last meeting / upcoming tasks
Discussion	<p>///// START: Text from previous guide meeting minutes /////</p> <p>○</p> <p>Follow up:</p> <p>Sam:</p> <ul style="list-style-type: none"> • Work with other Guides on next Grant round <ul style="list-style-type: none"> ○ Worked on doc 152. • Factomize weekly document(s) <ul style="list-style-type: none"> ○ Factomized the docs. • Finish Doc 142 <ul style="list-style-type: none"> ○ Finished this document (emergency alert system). I'm sure there will be some changes before it is ratified. I think it has everything necessary in it. • Set up automatic backup of Google Drive <ul style="list-style-type: none"> ○ Doing this in my spare time. Not a high priority. Looking at third party solutions, maybe using Google's SDK to pull backups. • Pull from To-Do or backlog list <ul style="list-style-type: none"> ○ Did not pull anything as the things above took most of my time. <p>Tor:</p> <ul style="list-style-type: none"> - Finish Draft of process for ratification/approval of governance/community documents <ul style="list-style-type: none"> - Still working on this; it's taking quite a lot of time but I think we're getting there and hope to have a draft ready for next week. - Populating pledges <ul style="list-style-type: none"> - We have started populating private threads on the Factomize forum with aggregated pledges from the application process. ANOs will review and verify they are correct ANO then we will post public threads for each ANOs. This process should take maybe a week or so. <p>Julian:</p> <ul style="list-style-type: none"> - Next grant document <ul style="list-style-type: none"> - Brought the ANO removal doc from legal to the community, and have been updating it in accordance with that input (and brought that to legal as well). Then additionally I have brought stuff from the grant round to legal; checks on liability issues and various legal processes. And lastly I have been working with the ANO

contributions committee to have these pledges properly posted and aggregated.

Brian:

- **Coordinate release of 5.4.4**
 - This turned out to be a version which had problems. It made it through QA and the testnet; and at this point does not survive... It has various errors on the network. It is not released, and is not recommended for any ANOs. At this point Clay and Paul are working on trying to debug the issue. It has been proven to be more difficult than usual. Sporadic issues are hard to diagnose. Still working on that.
- **Continue progress on Community Code**
 - We thought we had a clear path forward, and then there was a little more communication with our lawyers, and that is becoming less clear. We are back to trying to finalize that. We are getting close.
- **Restart 3rd party audit**
 - Still pending.

Niels:

- **Doc 152 - Grant schedules**
 - Been working mostly on the grant application document. I will be working this week on this as well, pushing it out to the community and getting their feedback and incorporating this. I would also like to create some sort of a document about sponsors and their role. I probably don't envision that we are going to prescribe how the sponsors should do their job. Not a binding document, but it would be good to create some pointers about what to expect from the sponsors and put something into writing about sponsors being paid or not, and make sure that people understand it better. I think multiple there are multiple interpretations about the role of sponsors, and hopefully we can narrow that down a bit.
- **Next grant round on factomize**

///// END: Text from previous guide meeting minutes /////

Sam: Can you expand on the Community Code issue?

Brian: The hangout is about copyrights and open-source licenses, and uncertainty about the future... Being able to accomodate uncertainty in an open-source project and having options open.

Paul Snow: All it really boils down to for us is to maintain the ability to change the license on the factomd source code. And this is important in case we want to put the source code in any one of a number of software foundations. There are many legal reasons for this; like you want to be part of the Linux foundation or others... From MIT we could sublicense to about any other license, that is not necessarily true if we go with Apache licensing where you can't sublicense. So we want to put some wording in there as to make Factom Inc. able to change the licensing. We suggest Factom Inc. gets the ability to do that for strategic reasoning. That's the one thing we are trying to get. I had a suggestion of how to accomplish this, but our lawyer did not like it. We either do it like this, or I accept a page or two of legalese. It is going to get settled this

week, because then it is at least two weeks out due to my schedule. So I'm pushing to get it done this week. I can settle it right now if everyone is happy with two pages of legalese... I want to use 4 lines of text to state that the user is agreeing to Github

Sam: ,...

Paul: The code now is MIT, and the github terms of service states that you are not changing the inbound and outbound rights of the code, and you submit the code under the prevailing license; so everyone doing PRs with us are agreeing to do this under MIT.

Sam: Where do the issue come in?

Paul: The issue is when you want to join a foundation and you want to change the license... Setting this up so there is no ambiguity if we want to change the license for some reason.

Brian: To clarify, it starts out as MIT and if it goes to somewhere the community does not like, it is still MIT licensing..

Paul: This is not a way for factom inc to steal the code. Looking at governance and the community, it seems like we might not fit into a foundation (like the Linux/hyperledger one) anyway... Being explicit to the developers that the license might change seems like the right thing to message to people.

[LayerTech] Xavierwjc#3480 Today at 10:39 PM

One of the concerns from the third party security audit was that we are not decentralized. Not having ability to contribute into the core code would be a pretty big roadblock in getting the audit done amongst other problems... Do you have any timeline from the legal on when this can be resolved?

Brian: This was resolved right? This week?

Paul: Yes that is what I am trying to do.



[Go Immutable] - Matt Today at 10:43 PM

@PaulSnow What role, if any, does your legal responsibility to your investors play into any of this? Thank you

Paul: There isn't really any investor issue about the developers and the open source. The only thing that has been a problem with the open source has been to figure out how we maintain as much flexibility for the community in the context of future governance decisions. That's is.

Niels: Do you also sub-license the code?

Paul: MIT allows any of us to do that... That part of this hasn't any issue.... Also the apache license lets you do this. There are ways of you to do this as the GNU-license as well... As for investors and the products we release, all of them enables us to reach our needs.

Niels: If the timeline is this week, I suggest we put it on the agenda for next meeting as

	<p>well, hopefully we have some clarity by then.</p> <div data-bbox="406 273 1088 409"> <p>[LayerTech] Xavierwjc#3480 Today at 10:47 PM</p> <p>Can the legal guidance be shared with the community?</p> </div> <p>Brian: it's not really a formal thing...</p> <p>Paul: And besides I already gave that info... If we referenced another license /terms of use we are not in control of that anymore.</p>
Conclusion	
Follow up (until next meeting)	<p>Next week TODO list:</p> <p>Sam:</p> <ul style="list-style-type: none"> - Working on the next high priority items. - This week we have a test of the emergency alert system. Will spend some time on that. And then take a look at the backlog list. <p>Tor:</p> <ul style="list-style-type: none"> - Finish the ratification/approval doc and continue on pledges. <p>Julian:</p> <ul style="list-style-type: none"> - Finish this ANO-pledge process. That will take a lot of time, and nailing down this grant round. Still working with legal almost single day trying to continuing this decentralization analysis of Factom. <p>Brian:</p> <ul style="list-style-type: none"> - Onboard 3 ANOs - Try to get new version as RC - 3rd party review - Continue with Community Code Contribution <p>Niels:</p> <ul style="list-style-type: none"> - Doc 152. Feedback and incorporating - Sponsors and their role

Subject 5	Open floor
Discussion	No questions.
Conclusion	
Follow up	

Meeting adjourned at 20:52: UTC.