

Submission date	June 3rd, 2018
Grant name	Governance Legal Review
Organization / person	DBGrow Inc, Committee, Law Firms
Previous Protocol Grant nr	(IGNORE)
Protocol Grant nr	FACTOM-INITIAL-GRANT-Governance Legal Review

VERSION	DATE	CHANGED BY	CHANGES
0.1	June 3, 2018	Julian Fletcher-Taylor	First version
0.2	June 7, 2018	Julian Fletcher-Taylor	Update Indemnification Clause

Executive Summary

The Factom community is embarking on a truly remarkable and unprecedented project, the formation of a real world Decentralized Organization, working with companies, developers, clients, and governments across the globe. This level of undertaking requires appropriate legal counsel and support. We aim to facilitate that support, and to lay the foundation for a safer environment for all parties within the Factom ecosystem to flourish under.

DBGrow has worked extensively with multiple people inside and outside of this community to lay the groundwork for an extensive legal review of the parties, processes, and governance of Factom. We now seek to engage with one or more law firms, with the support of other members within this community, to launch an in depth legal review of the Factom ecosystem.

Type of grant

☐ Software development ☒ Legal ☐ other

Legal

Project description

DBGrow will be facilitating the process of the legal review, with Julian Fletcher-Taylor as the main representative for DBGrow in this matter. Julian will act as the main point of contact working with the engaged law firm/s and the community, but this will be an endeavor that represent the needs of the entire community.

As such, we will seek to create a committee dedicated to supporting us in this process. This committee will have general oversight, and as much executive oversight of the processes, dedicated budgets, and compensation to entities involved, etc as is feasible.

We will also be working closely with other endeavors within the community such as the grant process, voting process, and Factom Inc so that we may inform each other of what the community needs, what questions they have, and how to proceed safely in all endeavors.

There has been an abundance of information created on this topic, coming at it from many angles. For any additional information, please feel free to contact Julian through whatever means desired, and he will help answer your questions or find the material you are looking for.

Problem statement

The Authority Node Set, Guides, Shareholders, and many other entities do not have proper legal representation regarding the protocol, or publicly available legal review of the protocol. We will address this by forming a committee, and working with law firm/s to construct a legal review and any necessary modifications to governance.

Goals & Objectives

The goal of this grant is to legally review and understand Factom Governance to the highest degree possible, and ensure that we are establishing a Governance Model and associated processes that protect parties within Factom to the maximum extent.

Success Criteria (measurable)

Criteria	Measurement
Committee approval	Committee approves on a continual basis
Community approval	Q&A with community
Review of findings by Guides and Authority Set.	Vote by topic and by recommendation for change in Governance structure
Review of final findings and structure by additional firm	Confirmation of findings by additional firm

Note: The above success criteria is provisional, and subject to change in accordance with the established committee's judgement.

Timeline, activities & milestones

Activity	Milestone	Timeline
Form Legal Review Committee		Week 1
Determine general structure and stages of Governance review		Week 1
Determine expenditures and methods of payment		Week 1
Implement stages of review		Weeks 2-5

Define any Governance changes needed	Weeks 6-7
Work with Guides and Authority Set to implement any changes	Weeks 7-8
Final legal review	Week 8
Discussion and suggestions to the community for how the Factom Ecosystem's relationship with legal firms should progress from here	Completion

Note: The above schedule is provisional, and subject to change in accordance with the established committee's judgement.

Budget(s)

We request 200,000 USD to complete this project.

There will possibly be money left over from this grant, but this will be a not for profit grant for DBGrow. Multiple solutions have been proposed on how to handle any remaining FCT. We will be asking to receive FCT in chunks based on milestones determined by the committee, and any remaining unreleased FCT will simply not be requested, and the grant closed. Any released but unused FCT can either be burned, or dedicated to a specific future grant. Any released and liquidated FCT can be pledged to the retainer of a firm that will do ongoing legal work for the Authority Set.

Milestones and their associated budgets will be determined on an ongoing basis in coordination with the committee established to facilitate this project.

As we progress, the budget and roadmap shall be as transparent as possible. We believe that for such a grant that revolves around representing the wider Factom community, transparency is absolutely required.

Competition & collaboration

We hope that in the course of this legal review we can facilitate some degree of collaboration between any hired firms and Factom Inc's established firm, which has been stated to have performed extensive legal review for Factom Inc, and capitalize on their existing knowledge on these subjects.

Organization or Person info

DBGrow Inc.

Representative Email: jfletcher@factom.com

Representative Discord: @julianFT

DBGrow Email: support@dbgrow.com

We will make a communications channel through Discord or the Factomize forum with the proposed committee readily available for the community.

Additional documentation

Initial Proposed Review Stages

1. Initial review of Governance and Factom parties. Understand the ecosystem and what our goals are for it.
2. In depth review of ecosystem.
3. Review of key related issues, including but not limited to:
 - a. GDPR
 - b. Assessment of Additional Jurisdictional Differences
 - c. Establishment of Any Foundations to Handle Grants
 - d. Structure of the Grant System
 - e. Indemnification
 - f. Insurance
 - g. Liabilities of all Parties

Indemnification

By submitting a grant proposal or participating in the grant proposal process, the submitter indemnifies and holds harmless all Guides, Authority Set Members, and Standing Parties, as it strictly relates to the grant, against any loss or expense incurred, but which in no case will exceed the total dollar amount of the grant as issued, by accepting or conducting the work of a grant award by reason of the fact that the Guides, Authority Set Members, and Standing Parties including, without limitation, any judgment, settlement, attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action or proceeding, provided the loss or expense resulted from Good Faith Errors or from action or inaction taken in good faith for a purpose which the Guides, Authority Set Members, or Standing Parties reasonably believed to be in, or not opposed to, the best interests of the Factom Protocol.

Note: Please see [Governance](#) for proper definitions of Guides, Authority Set Members, and Standing Parties. Grant proposals submitted in another format shall have this indemnification.