

FACTOM COMMUNITY

MEETING MINUTES

Factom Guides

Meeting #17

2018-08-13

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

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| Date and time of meeting | 2018-08-13 |
| Date minutes drafted | 2018-08-13 |
| Date minutes approved | |
| Organization/Team | Factom Guides |
| Attendees | Factom inc (Brian Deery), Centis BV (Niels Klomp), DBGrow Inc (Julian), Canonical ledgers (Sam), The 42ND Factoid LTD (Tor). |
| Members not in attendance | |
| Other attendees | |
| Meeting Leader | Sam Vanderwaal (CL) |
| Meeting Secretary | Tor Hogne Paulsen (The 42ND Factoid LTD) |

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| Subject 0 | <ul style="list-style-type: none"> - Roll Call - Approval of minutes from previous meeting on 2018-08-06. |
| Discussion | |
| Conclusion | <ul style="list-style-type: none"> - All members present except for Tor (audio problems). - Tor Joined mid subject-1 discussion and was present for the rest of the meeting. - Minutes from previous meeting approved. |
| Follow up | |

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| Subject 1 | Onboarding of final batch of ANOs from Application round #1 (Brian). <ul style="list-style-type: none"> - Blockrock Mining AS - Syncroblock - Factomatic LLC - Stamp-IT |
| Discussion | <p>Brian: Every month we've brought on new ANOs. This month we have 4 new ANOs. Process is fairly standardized at this point. There's always something unique, but we've taken care of those each time. This should be over the next couple weeks, bringing them online. Then we will have our full first round of anos.</p> |

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| Conclusion | |
| Follow up | |

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| Subject 2 | Future elections of Authority Node Operators (Tor and Niels) |
| Discussion | <p>Prepared remarks (by Tor and Niels):</p> <p>“We have been discussing privately, and also in a public channel on Discord, that we might want to consider holding off on future ANO elections after this application round until the FCT price stabilizes.</p> <p>The governance document states that we shall achieve full decentralization by April of 2020 (65 organizations operating 65 nodes). This is currently 19 months away, which would mean selecting 44 new ANO, and onboarding 2.3 of them every month in that time frame. In addition to stating the above timeline, The governance document also tasks the guides with stewardship of the protocol as a whole, and it's our view that going forward at that cadence is not sustainable at this price point (\$5 USD at the time of this writing). For comparison, the FCT price at the time of ratification of the Factom governance document was \$20; i.e 4 times higher.</p> <p>We would like to put forward the following motion:</p> <ul style="list-style-type: none"> - Future Factom ANO selections are put on hold until the FCT price stabilises above \$10. <p>And:</p> <ul style="list-style-type: none"> - This topic shall be revisited within 3 months by the guides independent of the FCT price-point, to ensure that the topic is adequately discussed going forward. <p>Brian: We are still in the midst of the second round, and this is basically talking about the third round. I know it's very disheartening to be not selected in this second round for any of our potential ANOs, and this might hold off hope for even longer. But it to me it seems like it is up to the ANOs themselves if they want to come on now. If I put in an application come on in a 5 dollar environment, they would have a much lower efficiency.... As far as making a motion for this, it seems there is way more conversation that needs to be had. I think deciding on this now is premature.</p> <p>Niels: You mentioned the efficiency, we are still seeing high efficiencies; a lot of 50% of instance. I am not sure if that is correct what you are saying. I think the pressure of getting up to the current ANO is high. There is a lot to be said about this. If we are not going to take on new ANOs the money would go into the grant pool anyway. But I do feel that we have a rather lot of ANOs and potential candidates currently that are doing way more than just running nodes. If you are doing way more it means that you would have to have a solid funding because you would not be able to sustain it only from factoids.</p> <p>Sam: Matt says it would require changes to the governance document; and that might be true - but it is up to the guides when to hold the elections, and if the 65 are met within April 2020 then it would not require a change.</p> |

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| | <p>Sam: I think this is not a bad idea, I am gravely concerned about the factoid price and its effect on the factom ecosystem, and bringing in more ANOs are putting pressure on that, even if they are only selling the minimum amount to cover servers and taxes; but FCT going to the grant pool will also be liquidated so it might be a wash.</p> <p>Niels: We would still need the ongoing discussions, it's not like we are going to decide this today for the entire future. We will have to discuss between ourselves and the ANOs and come to a consensus. We have to take steps in this direction I think.</p> <p>Sam: I guess for myself, I would not want to vote for this today, but we are not exactly pressured for time to decide this and we are still in the middle of this second round; and we are not in a hurry. I would like to discuss it and have it openly discussed in the community before the guides vote on it.</p> <p>Niels: What I would like to mention is that we should discuss it of course, but we should have it done before the new ANOs are selected.</p> <p>Julian: For me the biggest issue is not about the FCTs created; the big issue is the balance between the grant pool and the ANOs. The only way possible to do community wide things like the legal grant is to do it through the grant pool, and a strong pool is very important.</p> <p>Sam: Very good point. There are many things that are not possible to do through individual ANOs, example: paying for exchange listing.</p> <p>Brian: To extend that point a bit, we have to also think about conflict of interest ourselves.</p> <p>Sam: Other thoughts or comments.</p> <p>Tor: Support putting this into the forum</p> <p>Sam: We might have to change the governance document if we are not able to keep the April 2020 deadline (as suggested by Matt in the governance channel).</p> <p>[MatterOfFact] DanGToday at 8:19 PM can we establish a timeline for the discussion. ex. 3 weeks, 4 weeks, etc...</p> <p>Niels: I like it to be discussed before this election round closes, so ANOs that doesn't make it know what to expect from us.</p> |
| Conclusion | Move the discussion to the forum. |
| Follow up | |

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| Subject 3 | Pledge tracking (Tor) |
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| Discussion | <p>Prepared remarks (by Tor):</p> <p>Currently ANO pledges are hard to locate (in ANO applications) and also stored in a format which is not easy for readability. There are also no process for ANOs to update their pledges. I suggest we utilize the Factomize forum storing and updating pledges; by making new sub-forum where each ANO gets their own thread with the original pledges as the first post; and where they are able to update it subsequently by making new posts with new and updated pledges.</p> <p>Some reasons for why Factomize is a good solution for this is:</p> <ol style="list-style-type: none"> 1) All threads/posts are factomized. 2) ANOs already have access. 3) Factomize supports 2FA. 4) The format of having one thread per ANO to store the pledges are very convenient. |
| Conclusion | <p>Sam: We had a discussion about this in the chat, and Guides discussed it in the governance channel, and the general consensus from the community was that it's a good idea to have the pledges easily available.</p> <p>Brian: It's not so much the tracking, but the tracking of the Of the pledges</p> <p>Sam: Tor suggests only having them displayed publicly, not currently evaluating the efficacy of them.</p> <p>Sam: One thing to note is that we have an ANO contributions working group, which I brought up in the operator chat channel (it was created in the June ANO meeting). They are currently on hold waiting for the legal review. They are also going to look into how we track and evaluate the pledges. But this should not be in conflict with displaying the current pledges on Factomize.</p> <p>Julian: We are three hours away now from getting the first grant payout which kicks the legal review into effect.</p> <p>Brian: I also support the collecting of this data. There has been several deviations the past months, and it would be good to have them in a central spot.</p> <p>Sam: Should we lock down the threads for only ANOs or also have them open for everyone to discuss?</p> <p>Brian: The committee should look into that.</p> <p>Sam: Was that your idea Tor?</p> <p>Tor: Yes.</p> <p>Paul Snow: I wanted to say that Factom inc. delayed payment on their grant in the interest of supporting the grant pool - and I should go ahead and say that I want to make sure that everyone knows our commitment to the protocol and to the grant pool, and how we are putting actions behind that commitment.</p> <p>Brian: Yes, it was to allow the dollar denominated grants to not be stretched out over a long time, but it has had negative ramifications for us (Factom inc.) that I cannot go</p> |

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| | <p>into.</p> <p>Sam: Does that affect the timeline for Factom Inc's development grant?</p> <p>Brian: No. This particular aspect does not constitute a problem, as we were going to move forward with the grant and the requested number of FCT will be delivered. We also pledged not to sell the FCT so this does not affect that outcome.</p> <p>Sam: Does the grants still expire in September?</p> <p>Brian: It was a 6 month grant with a 3 month review period.</p> <p>Sam: It's a 3 month grant that can be extended to a 6 month one but it requires a review and re-vote.</p> <p>Brian: Correct.</p> <p>Xavier: Does this affect core development or any of the grant pledges? Will core development hires/marketing efforts be delayed?</p> <p>Brian: No, not to my knowledge.</p> <p>Paul: Delaying the grant payments impacts our books and accounting, so it isn't painless regardless of our pledge not to liquidate the assets. We are not delaying our timelines or our budgets at this point.</p> |
| Follow up | |

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| Subject 4 | Upcoming factomd release schedule (Brian) |
| Discussion | <p>Brian: So, there have been some newer problems over the past month or so, and some of the problems have been identified and they are now - we have got 4-5 critical fixes that are undergoing regression testing right now. There was some testing over the weekend that found a couple of bugs, and those have been fixed as of today; and sent onto the testnet today. Depending on how well that goes, we will roll it out to the mainnet the following week. This will help a lot with stability. It will help a lot with the stalls we have been having. It makes the network a lot more robust, and also it helps with performance to some degree. Even though these specifically are not the performance updates; those are still pending... But by having the factomd be less confused when activity is happening it will be able to react much more effectively.</p> <p>Sam: You said this is going on the testnet today. Is this the update Flying Viking mentioned today that we are having follower nodes updated to?</p> |

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| | <p>Brian: The release candidate have not been released yet; Flying Viking is talking about a pre-release candidate. The value of putting this onto the testnet is that we might find bugs that we have not identified yet.</p> <p>Niels: Does this include the API changes for Poloniex?</p> <p>Brian: This release has the multiple FCT/EC call requested by the exchanges, yes.</p> |
| Conclusion | |
| Follow up | |

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| Subject 5 | Open floor |
| Discussion | N/A |
| Conclusion | |
| Follow up | |

Meeting adjourned at 18:37 UTC.