

Hypergraph Hour 46

Nov 2nd 2022

**A flexible multi-stakeholder
governance built for the future**

Mathias Goldmann & Mike Butcher



Policy

SEC Probing Bored Ape Creator Yuga Labs Over Unregistered Offerings: Report

The key legal question at the center of the probe, according to Bloomberg, is whether the tokens are securities.

By Nelson Wana, Rosie Perder | Oct 11, 2022 at 10:38 a.m. MDT | Updated Oct 11, 2022 at 3:00 p.m. MDT

The SEC is also reportedly looking into how apeCoins, the Ethereum-based governance and utility tokens used within the APE ecosystem, were distributed to holders of Bored Ape Yacht Club, Mutant Ape Yacht Club and Bored Ape Kennel Club members. The tokens were first announced in March with the establishment of the community-driven ApeCoin DAO and the Ape Foundation. Sixty-two percent of the fixed one billion supply of apeCoins was allocated to the ApeCoin community, including 15% airdropped to existing NFT holders. Additional percentages of tokens were allocated to Yuga Labs and the Jane Goodall Legacy Foundation, alongside launch contributors and the four founders of Bored Ape Yacht Club.

Policy

Ooki DAO Case So 'Egregious,' CFTC Had No Choice, Chair Behnam Says

"Don't expect this to be a free pass," he said of using a DAO to evade U.S. laws.

Policy

CFTC's Ooki DAO Action Shatters Illusion of Regulator-Proof Protocol

The action raises still-unanswered questions about who is culpable when a DAO commits a crime – will casting a vote with a governance token be seen as a smoking gun?

Sep 26, 2022 | By Cheyenne Ligon

1,000 Solana validators go offline as Hetzner blocks server access

by Osato Avan-Nomayo



Why does solid governance matter?

It is a key selling point for:

- **Developers** relying on sound code governance
- **Token Holders** relying on a sound economic framework
- **Regulators** looking for decentralized processes & development activities



→ Most crucial for the **growth, sustainability** and **longevity** of the HGTP ecosystem (Market factor)!

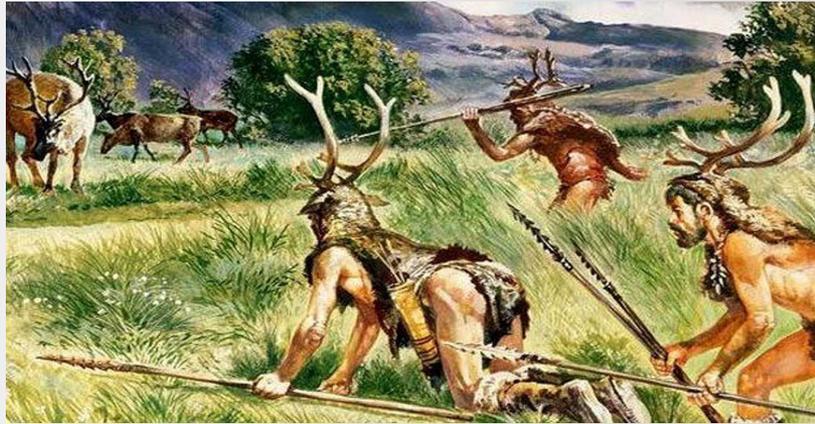
Goal

| # | Coin | Price | 1h | 24h | 7d | 24h Volume | Mkt Cap | Last 7 Days |
|-----|---|-------------|-------|------|-------|------------------|-------------------|---|
| ☆ 1 |  Bitcoin BTC | \$20,433.42 | 0.1% | 0.2% | 5.8% | \$33,331,749,890 | \$392,231,414,535 |  |
| ☆ 2 |  Ethereum ETH | \$1,573.86 | 0.1% | 0.6% | 17.2% | \$19,651,675,285 | \$189,685,517,596 |  |
| ☆ 3 |  Constellation (DAG) | \$1.00 | -0.1% | 0.2% | 0.1% | \$58,921,254,073 | \$69,408,401,329 |  |

By attracting more talent, capital, code contributions, ecosystem projects.

Context

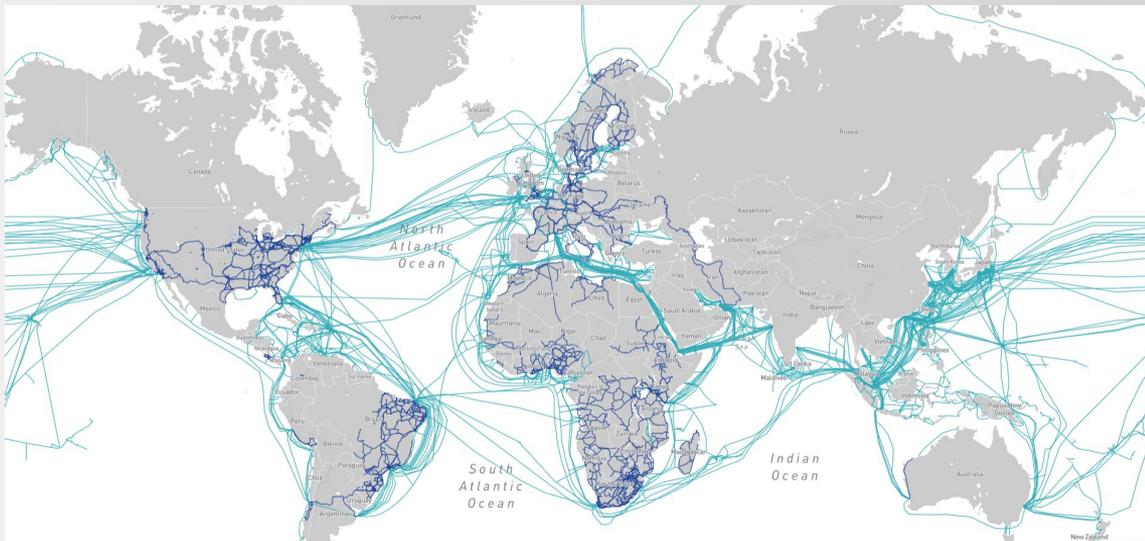
Governance is one of the big topics of mankind. It is a methodological answer to the age-old problem of how humans work together for a common purpose.



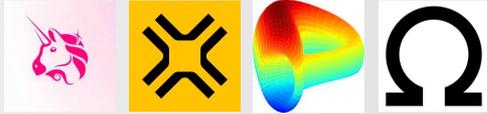
How do we collaborate so that our efforts are: Long lasting (resilient), adequate and flexible *enough*?

Context

How do you govern this?



DAO vs Application Layer Governance



- DAO Structure
- Mainly around Treasury, APYs, Partnerships
- Less code based
- Often heavily on-chain
- Coin voting
- Usually no infrastructure decisions!
 - Limited scope (Uniswap)
 - DeGov idea
- Ready-to-use Platforms available
 - Aragon (ETH), Squads (SOL)
- → **Productization Opportunity for the HGTP**
- Infrastructure Community DAOs: Coordinate community and/or code to an infrastructure ecosystem (e.g Homebase on Tezos, IOHK Cardano)

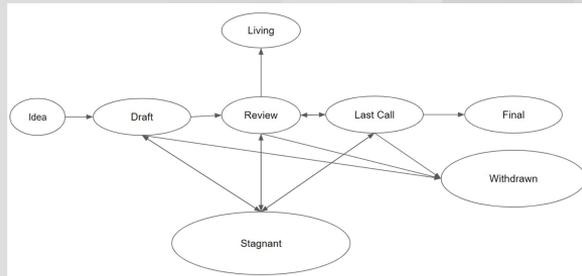
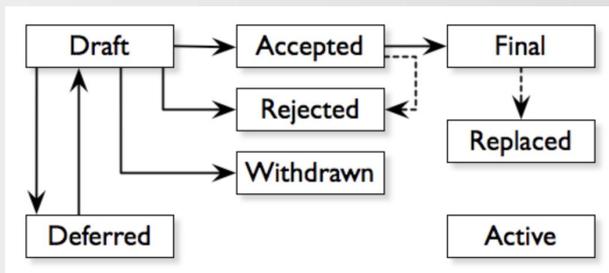


- NOT a DAO
- Decentralized Infrastructure Decision Making
- Strong off-chain components
- Coin voting less common
- Governs code, economic framework and Best practices (Proposal types)

BIP/EIP/HIP



- Innovation vs Stability (ETH vs BTC)
- Anyone can submit (different thresholds for BTC/ETH)
- 3 Proposal Types (Standard, Information, Process)
- Sponsors/Shepherds (Process, completeness, ethical)
- Win Community Sentiment (Bitcoin Core List, Ethereum Magicians)
- Proposals are fully formulated design documents (Reference Implementation)



Ethereum EIP (Ethereum Improvement Proposal)

Ethereum Improvement Proposals

All Core Networking Interface ERC Meta Informational



All

Living

| Number | Title | Author |
|--------|----------------------------|--------------------------------------|
| 1 | EIP Purpose and Guidelines | Martin Becze, Hudson Jameson, et al. |
| 5069 | EIP Editor Handbook | Pooja Ranjan, Pandapip1 |

Final

| Number | Title | Author |
|--------|------------------------------------|------------------------|
| 2 | Homestead Hard-fork Changes | Vitalik Buterin |
| 4 | EIP Classification | Joseph Chow |
| 5 | Gas Usage for `RETURN` and `CALL*` | Christian Reitwiessner |
| 6 | Renaming SUICIDE opcode | Hudson Jameson |

Source: <https://eips.ethereum.org/core>

- Both Governance Process are Off-chain Processes!
- They work well for what they are supposed to do!
- Vitalik opposes Coin governance
 - Coin governance can be easily hacked, swayed, bought, corrupted
 - Not all stakeholders have a say due to the monetary function of the coins
- What does that mean for the idea of decentralization?
 - Governance is easy to get wrong and hard to get right
 - It's literally one of humanity's biggest issues: how to effectively collaborate
 - Technical decentralized governance requires smart people that are value aligned!

DAG Governance: Where are we?

- Predecessor efforts (gov v1 - SDC)
 - No clear delineation between DAO and Network Gov
 - No fully established code Governance
 - Many ideas less execution
- Adequate structures and clearly defined areas of involvement needed

DAG Governance: HIP (Hypergraph Improvement Proposal)

- We need to move to a more comprehensive model
- Coin voting and added utility for DAG
- Experiment with the process
- Iterate and adapt
- Harden the model !
- Potential towards a full on-chain model (L0 *gDAG*)

- → HIP Process



HIP Process Tooling: Hypercore.org

🌟 Fellowship of Ethereum Magicians 🌟

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Topic

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EIP-4973 - Account-bound Tokens

■ Tokens nnt



140

8.6k

1h

Ethereum Magicians Protocol Roadmap Session @ Devcon VI

■ Council Sessions



10

927

2h

EIP-5528: Refundable Fungible Token

■ EIPs

Proposal `adding blockTimestamp to logs object returned by eth_getLogs`
requests

■ Proposals



Lattice

69 members

Join

Proposals

New proposal

Treasury

About

Settings



Governance board of Lattice Gateway. Lattice Gateway, is a sustainable DeFi platform producing the tokenization of a data exchange.

Proposals

All ▾

0x3c7f...3EDa Core

Closed

Which project would you like to see next on Lattice Launchpad

Vote on which project you would like to see as the next candidate on the Lattice Launchpad! We have three different amazing projects you can give your support...

✓ DoubleDice 2M veLTX

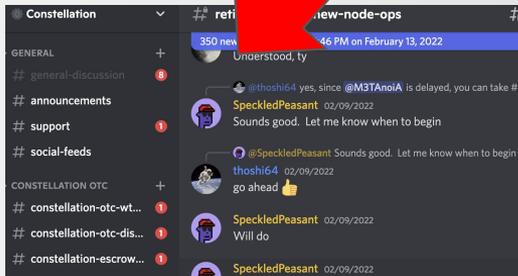
50.27%

Niftyfy 1.9M veLTX

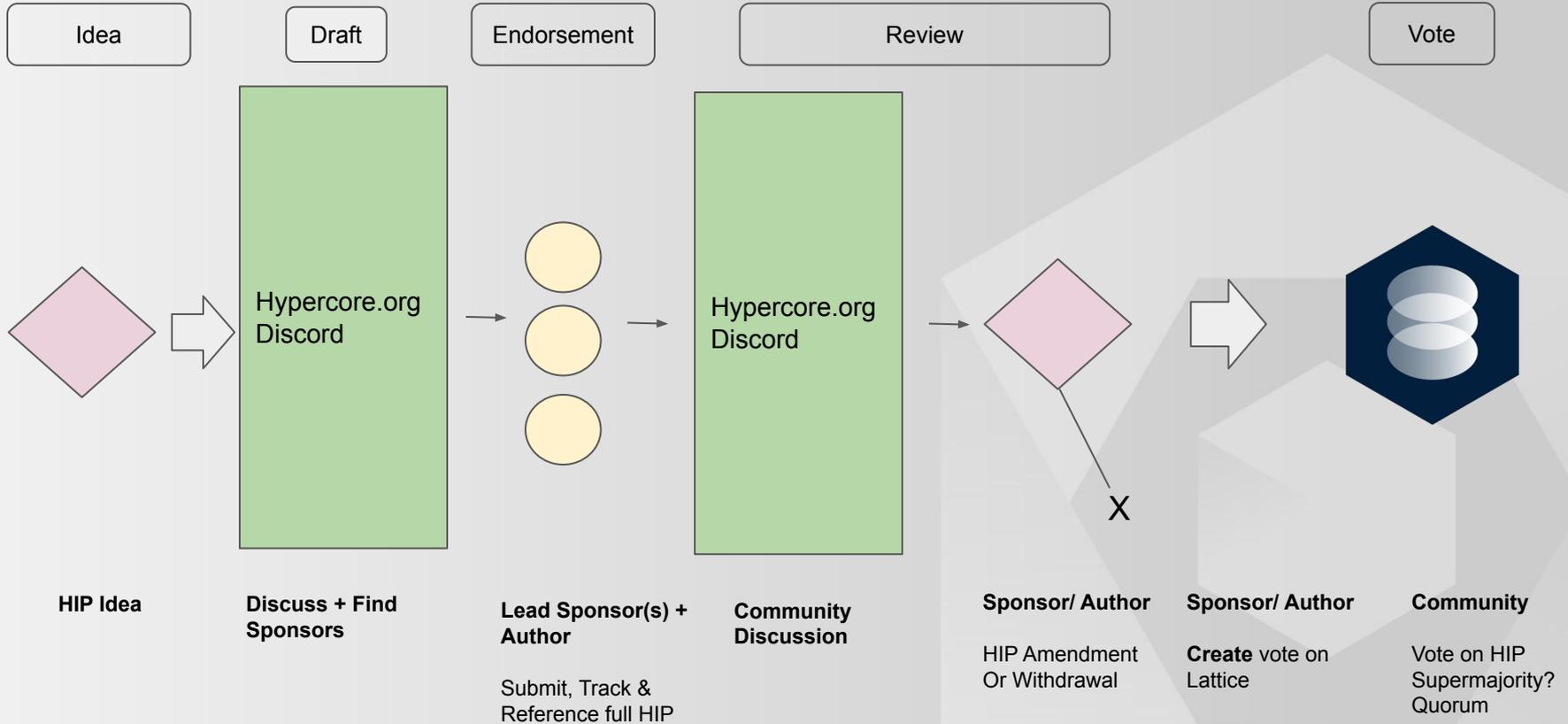
48.03%

World Token 68K veLTX

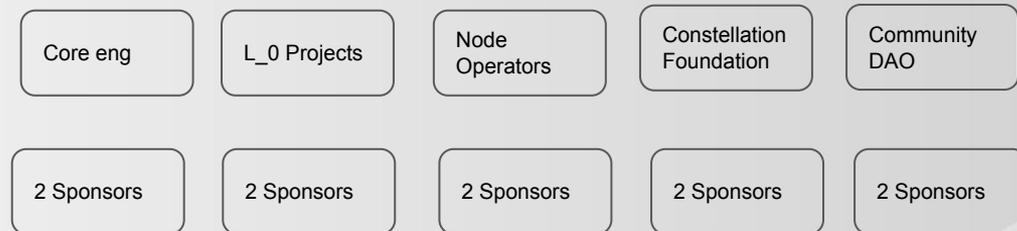
1.7%



HIP Process Flow (preliminary model)



HIP Sponsors: A crucial process role



- Each stakeholder group nominates their Sponsor
- Sponsors act as Quality control & liaison to bring forth fully formulated HIPs
- High moral standards, Wide and deep understanding of impact
- Technologically savvy (Reputation!)
- Builders and coders

Your involvement

1.) **Community DAO**

Update, refurbish or create new community DAO structure

Constellation needs an established counterparty (legal)

Define hardened DAO governance structures (rage quit proof!)

Define areas of execution

E.g.: Marketing, Community Building, Education

Code contributions (Stargazer, Multisig, Scoring..)

(Developer) Grant Program, Liquidity Incentives,

2.) **Network Gov**

Workgroup (Feedback & Metrics)

Shepherd/Sponsor Appointment

Education

“Product” build target: Jan 2023

Open Positions: Governance Coordinator, Governance Evangelist

Community members with deep prior crypto gov experience (BTC, ETH, SOL, TEZOS)
To act as liaisons and shepherds for HIP proposals from the Foundation side and grow governance engagement by attracting new partners.

Minimum Qualifications

- 5+ years of professional experience
- Strong background in distributed systems technology
- Solid understanding of existing infrastructure governance models
- Familiarity with writing technical or process based design documents
- Experience with managing multi-stakeholder interests while maintaining process
- Ability to draw and expand upon a wide network in the blockchain industry

Thank You!



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