



Proposal Name: Barrel Bonfire

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Governance Reviewer: Nano

Voting Rules

Category: General (Requires Treasury Spending)

Duration: 7 days

Quorum: 5.0% (= 248/4958 non-frozen SMB Gen2 NFTs)

Passing vote: Super Majority (66%)

Summary

Burn the 5,000 SMB Barrels that were initially reserved and planned to go to auction as revealed Gen3 SMBs. Additionally, set a 12 month time limit to use the roughly 1,800 unclaimed SMB Barrels (that the DAO will receive once the Gen2 Claim period ends on September 27th) after which they will be burned.

Proposal Details

The floor price of SMB Gen3 NFTs is currently below the mint price, has a lack of hype/vision, and has (rightly or wrongly) been described by many as a cash-grab. MonkeDAO suffers from this perception, and should move to mitigate or rectify it as soon as possible for the sake of its reputation, and for the sake of SMB Gen3 holders who are unhappy with the current situation.

This proposal has two main components:

1. Dealing with the 5,000 vaulted SMB Barrels

MonkeDAO currently owns 5,000 SMB Barrels which it has “vaulted” (promised not to release until/unless a vote is passed to do something with them). Given that there is no current demand for this large number of extra SMB Barrels, this proposal seeks to remove the looming threat of future release of this supply onto the market by burning all of those barrels. All 5,000 SMB Barrels currently vaulted by MonkeDAO will be burned and unrecoverable, thus reducing the maximum supply of the SMB Gen3 collection from 15,000 to 10,000.

2. Dealing with the ~1,800 SMB Barrels unclaimed by Gen2 owners

On September 27th, 2023 the 3-month window for SMB Gen2 owners to claim their SMB Barrels will expire and any unclaimed barrels (which is about 1,800 Barrels at the moment) will be sent to the MonkeDAO treasury.

This proposal seeks to immediately vault all these SMB Barrels and require a successful vote to release them (either in whole or in part). One year from passage of this proposal, any remaining vaulted SMB Barrels from this allocation will be burned.

This retains some incentives to develop Gen3 for future potential revenue for the DAO, while also setting a high-bar for it to happen (a successful vote within 12 months). Such a vote would likely only pass if real demand is created for the collection and that will likely also require the floor price to be much higher than it is today.

If this occurs it will reduce the maximum supply of the SMB Gen3 collection below 10,000.

Goals / Evaluation Metrics

- Reduce supply of SMB Barrels and therefore also reduce the maximum supply of the SMB Gen3 collection
- Provide clarity and reassurance to the market on the status of all currently non-circulating SMB Barrels

Benefits to DAO & Individual Members

- Reduces the maximum membership of MonkeDAO
- Reduces the potential dilution of MonkeDAO membership exclusivity and individual benefits
- SMB Gen3 supply reduction should be supportive of its long term floor price, which may also benefit the SMB Gen2 floor price
- External perception of the DAO may improve
- MonkeDAO still remains incentivized to provide value to SMB Gen3 with the ~1,800 unclaimed barrels which represent potential DAO revenue
- Saves development resources/time that may have otherwise gone into the building and marketing of an Auction platform

Risks & Concerns

- If implemented, this would destroy assets belonging to the MonkeDAO treasury with significant value (5,000 - 6,800 SMB Barrels which each have a current floor price of 11.92 SOL, with a current SOL value of \$19.89 USD).

- The 5,000 SMB Barrels are not currently circulating and would only be released in the event of a successfully voted proposal, so burning them removes the opportunity for the DAO to come up with other creative solutions to make use of them
- Significantly reducing the supply of the SMB Gen3 collection would likely mean some high rarity Gen3s would never be released (e.g. the two 1/1s or 9 0-attribute monkes that have not yet been minted)

Tentative Timeline/Roadmap

- Upon successful passing of this vote, the 5,000 vaulted SMB Barrels are to be burned as soon as possible
- The ~1,800 unclaimed SMB Barrels would be vaulted as soon as they are received by MonkeDAO once the claim period expires on September 27th
- Any remaining vaulted barrels 12 months after the successful passing of this vote are to be burned

Treasury Spending

- 5,000 SMB Barrels
- *Potentially* 0-1,800 additional SMB Barrels