



Proposal Name: 0% Gen2 Royalty

Authors: Raiden 0%; 0% moritzsd.sol

Governance Reviewer: Unjustmouse MonkeDAO

Voting Rules

Category: NFT Metadata Change Proposal

Duration: 7 days

Quorum: 7.5% (=372/4951 non-frozen, non-burned SMB Gen2 NFTs)

Passing vote: 66% (Super Majority)

Summary

Transition SMB Gen2 royalties to 0% on April 20th, 2024.

Proposal Details

Recent proposals have packaged a transition to 0% royalties together with the implementation of immutability. It appears, however, that immutability is not currently achievable and/or would require taking uncomfortable risks with unaudited Solana programs.

Since there is interest from various members of the DAO to move towards both of these things, this proposal seeks to implement the 0% royalties side.

This change is viewed by many as a precondition to immutability – in other words, before Gen2 is made immutable, royalties should be set at 0%.

This proposal seeks to transition Gen2 royalties to 0%.

Goals / Evaluation Metrics

- To move the Gen2 royalties to 0.
- Spark renewed interest in the Gen2 collection from those seeking “true ownership” (typically is viewed as requiring 0% royalties and immutability).
- The community and leadership start focusing on how to grow revenue by reinvesting our treasury.
- Gen3 becomes the focus of growth.

Benefits to DAO & Individual Members

- A transition to 0% royalties could create an increase in buyer attraction and increase trading volume, as 0% causes a lower barrier to entry.
- The Gen3 collection royalties will be the main source of DAO funding and ideally garner more attention to the collection.
- As a step towards full ownership, not relying on Gen2 royalties will create a means for innovative monetization strategies, new project models and market competitiveness.
- The Gen2 collection at 0% royalties is step in the direction of immutability and solidifying the narrative that monkeys are the OG project of Solana

Risks & Concerns

- SMB Gen2 royalties are currently the primary source of income for MonkeDAO (in February this accounted for \$58K USD of revenue, as compared to \$18K USD from SMB Gen3 and \$1K USD from SMB Barrels) and this proposal would entirely eliminate that revenue source.
- The DAO's \$1.95M purchase of the SMB IP + assets primarily derived its value from the perceived market value of the SMB Gen2 collection and its royalty stream. To date the DAO has only recouped roughly \$1.26 million from the Gen2 collection specifically (although it is necessary to note that the value of the acquired SMB brand has also had a meaningful impact on the sales and royalties of SMB Gen3), which is far short of the purchase price.
- If the SMB Gen2 collection contributes zero income to MonkeDAO once this has completed, it may cause a lot of friction between Gen2 and Gen3 members where the Gen3 collection is the primary funding source of DAO operations but Gen2 members currently have full governance rights and priority access to all MonkeDAO services, communication channels, events, and other benefits.

Tentative Timeline/Roadmap

- The authors (Raiden and Moritz) will work with the Lead Executive and executive team to make sure the DAO adheres to the schedule.
- On April 20, 2024, Gen2 royalties will be decreased by 5%, from 5% to 0%

Treasury Spending & Impact

- Negligible on-chain update costs (0.025 SOL in total to update royalties)
- Removal of MonkeDAO's primary revenue stream