

# PartyDAO New Token Proposal

## Summary:

This proposal outlines a new \$PARTY token. The goal is to set up PartyDAO as a long-term and sustainable member-owned community that ships product. The proposal is based on consensus reached via community discussions in the Discord.

## Description:

The goal of the proposed new token is to:

1. Introduce an improved \$PARTY distribution that is more equitably allocated to past and future contributors in order to increase long run alignment.
2. Increase the DAO's treasury to allow more flexibility for future proposals (i.e. distributions, strategic funding, etc).

## Specifics:

The new token would be created via a new \$PARTY ERC-20 contract, and the old token would be deprecated. The new token contract will not be mintable.

The proposed outline of the updated distribution is the following:

### 7% - Retroactive \$PARTY owners

This includes all current \$PARTY owners (i.e. participants in the crowdfund, recipients of \$PARTY from crowdfund participants), but excludes:

- the current \$PARTY treasury holdings
- the \$PARTY payments made to contributors in sprints thus far

**Lockup:** This distribution will be under lockup for 6 months or until a significant distribution occurs (more than 1% of token supply), whichever happens first. The snapshot is planned to be taken as of October 14, 2021 for \$PARTY balances. The implementation of the Lockup mechanism will be decided in the coming weeks after assessing options.

### 14% - V1 and V1.2 Contributors

These are the individuals approved by DAO members to contribute to the creation of PartyBid. Contributors include but are not limited to: John Palmer, Anna Carroll, Danny Aranda, Anish Agnihotri, Steve Klebanoff, Callil Capuozzo. There are also a handful of very early contributors who will receive tokens from this allocation, even though not continuing to work as contributors.

These allocations will also be determined by the team in consultation with those early contributors.

**Lockup:** This distribution will have the same lockup as retroactive \$PARTY owners.

**Vesting:** This distribution will include 1-year of vesting backdated to the start of the project. With the backdating, 50% of the distribution will be vested to acknowledge work already done, with the rest still vesting for contributors continuing to work on PartyDAO. For the V1 team allocation, vesting will happen on a sprint basis as determined by milestones. Members of the V1 and V1.2 team who are continuing to work on PartyBid will only earn tokens out of this allocation for the next 6 months (not double dipping into Future Contributors pool during this time). Specific milestones and deliverables will be set amongst the team at the beginning of each sprint, and completion of those milestones by the end of the sprint allows vesting for each team member. Even as these tokens vest, they are subject to the same lockup as other \$PARTY owners.

**V1 Team Individual allocations:** The individual allocations for the V1 team are to be determined amongst the team, led by John Palmer in consultation with the team and subject to multi-sig signer approval.

## **21% - Future Contributors Pool**

The other key piece of further aligning the DAO's most important stakeholders is allocating reserved PARTY to be used as ongoing compensation, both for current contributors that retain their roles into the future as well as for new contributor additions. This distribution will be held in the PartyDAO treasury and granted to future contributors with vesting.

**Future Contributors Vesting:** Any new contributors working on PartyBid will also work on a sprint-by-sprint basis, and their token allocation will come from the Future Contributors' pool. Further details here regarding how new contributor allocations are decided will likely need to be determined through future DAO proposals.

## **58% - Community Treasury**

It's important for the PartyDAO treasury to maintain a strong PARTY distribution going forward in order to fund proposals for initiatives outside of the Future Contributors Pool. These could include retroactive distributions, future strategic funding rounds, allocations to other DAO's in the future to boost alignment, etc.