

# SoftDrop this Christmas



## Approval

*We, the signers of the Soft DAO genesis multi-sig, hereby approve the following governance proposal as put forth by the community.*

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## SoftDrop this Christmas

### What

We propose that the SoftDrop is executed by Christmas in accordance with the following details.

#### **Christmas Opening & Eliminating the Lock-up Period**

We propose eliminating the one-month lock-up period and executing the SoftDrop — which means opening claims as well as voting while vesting— this Christmas at 00:00 UTC 25 Dec, 2022. Please note that the previously approved 24-month continuous vesting period remains effective for any SOFT tokens in the SoftDrop.

#### **Increased SoftDrop Allocation**

As alluded to in [Softernet Round #5](#) and [Softernet Rounds 6-7](#) proposals, we propose adding 3,215,105.06. SOFT tokens to the 20,000,000 SoftDrop Token Allocation. These tokens will come from unused tokens previously allocated to other SOFT token rounds. Thus, the total number of SOFT tokens for distribution via the SoftDrop will increase to 23,215,105.06. However, the overall total of SOFT tokens allocated for distribution remains unchanged.

## Transferring SOFT Tokens

In order to execute the SoftDrop, we propose that the Soft DAO multi-sig wallet transfers the SoftDrop token allocation (23,215,105.06 SOFT tokens) to the 0xf266195E1B30b8F536834303C555BD6Aaf063f04 distributor contract on Ethereum ([ContinuousVestingMerkle | Address 0xf266195E1B30b8F536834303C555BD6Aaf063f04 | Etherscan](#)). Additionally, such tokens may be transferred as part of the transaction approving this proposal.

## SoftDrop Amount

We propose the following calculation for SoftDrop token amount  $t_i$  to each eligible wallet  $i$ .

$$t_i = T \frac{r_i}{\sum_j r_j}$$

where:

- **Reward Factor**  $r_i = n_i^{0.7}$ , where  $n$ , is the number of qualifying events in which this wallet address  $i$  participated multiplied to the 0.7th power. This ensures non-linear but increasing rewards based on scaled engagement. There is a maximum of nine qualifying events which include the following:
  - Each Softernet Round counts as one event.
  - Select on-chain sales participation prior to 15 Mar, 2022 that can be connected to a currently verified EVM wallet also counts as one event.
  - Select on-chain sales participation between 14 Mar and 01 Oct, 2022 also counts as one qualifying event.
- **Total SoftDrop Allocation**  $T = 23,215,105.06$  SOFT tokens, as put forth earlier in this proposal.
- **Sum of All Reward Factors**  $\sum_j r_j$  = this is the sum of all reward factors for all wallets.

## Example Calculation

For the purpose of an example, let's assume the following:

- Wallet **0x123....abc** participated in five Softernet rounds and a selected on-chain sale in July 2022. Thus, this wallet's total qualifying events is 6.
- Total number of eligible wallets for the SoftDrop is exactly 34,000.
- Average Reward Factor across all wallets is 1.38; so Sum of All Reward Factors is 46,920.

Thus, the SoftDrop amount for Wallet **0x123....abc** is calculated as follows:

Reward Factor x (Total SoftDrop Allocation / Sum of All Reward Factors) = #SOFT tokens  $\rightarrow (6^{0.7})$   
 $x (23,215,105.06 / 46,920) = 1,734.28$  SOFT tokens

## Eligible Wallets & Qualifying Factors

For the sake of clarity, we'd also like to reiterate what was decided in previous Soft DAO proposals regarding eligible wallets for the SoftDrop.

- The updated/final SoftDrop eligibility list will be provided by Soft DAO's compliance provider.

- This list of wallets shall be generated from participants in past on-chain sales as well as Softernet Rounds 1-7.
- All eligible wallets are those which were (a) submitted for verification with Soft DAO's compliance provider prior to 00:00 UTC on 15 Dec, 2022, and (b) subsequently approved.
- Successful verification with Soft DAO's compliance provider entails identity verification, proper jurisdiction, and passing other sybil resistance mechanisms.
  - Regions not eligible for the SoftDrop include the USA, China, North Korea, Syria, Iran, and Crimea Region of Ukraine.
- SoftDrop amounts may vary from the expected value due to the use of different wallets, improperly connected accounts, or failure to pass compliance provider requirements.

No token distribution, wallet registration, sybil resistance, or verification process is perfect. However, the primary goal of SoftDrop is to realize token governance & align incentives across the community. Due to the complexity of each SoftDrop, all SoftDrop eligibility decisions and amounts are final and cannot be updated.

## Governor & Timelock Activation

With the advent of SoftDrop, we propose that Soft DAO officially activates and begins using its **DAO**

**Governor contract:**

(<https://etherscan.io/address/0x0ADd6d42bBfe6c40e15B02A2C8A1b81B36a2B326>) and

**Timelock contract:**

(<https://etherscan.io/address/0x52c263698B5B11AaCAf0f74333DC921B26FFA5b7>).

These contracts outline the following Soft DAO governance parameters:

**Proposal Threshold:** 100,000 votes

**Quorum:** 50 million votes

**Proposal Delay:** 24 hours

**Voting Period:** 8 days

**Timelock:** 24 hours

Proposals will be reviewed on [Tally.xyz](#). To encourage active community participation in DAO governance, each unclaimed token held in a SoftDrop contract will count as two votes for the eventual recipient. Each token not held in a SoftDrop contract will count as one vote.

## When

This proposal is put forth to Soft DAO governance approval, effective immediately. Furthermore, this proposal shall be considered rejected if it fails to reach multi-sig approval by 22:59 UTC on 24 Dec, 2022.

## Conclusion

We're excited to see what the future holds for the Soft DAO. The SoftDrop can help the Soft DAO realize token governance and align incentives across its decentralized community.

We see the need for such high-integrity protocols growing larger with each day that passes. Therefore, the SoftDrop and the fulfillment of the Soft DAO's future can't come soon enough.

Merry Christmas!

## Related Proposals

Soft DAO has already passed and approved the following proposals related to the SoftDrop.

### **2022-10-25: SoftDAO Token Distribution (\$SOFT)**

([https://gateway.pinata.cloud/ipfs/QmTgdKQhtJrmtWGJHzgtEYjvrGVnYzQcBAQYcVGbnwDPMz\\_36](https://gateway.pinata.cloud/ipfs/QmTgdKQhtJrmtWGJHzgtEYjvrGVnYzQcBAQYcVGbnwDPMz_36))

### **2022-10-27: The Soft Drop - a community airdrop by The Soft DAO**

([https://gateway.pinata.cloud/ipfs/QmNq7wDBDXpscV6AURtc2wgseRNCL4QTdCbb4M1djTMNoJ\\_6](https://gateway.pinata.cloud/ipfs/QmNq7wDBDXpscV6AURtc2wgseRNCL4QTdCbb4M1djTMNoJ_6))

### **2022-12-01: Regenerate SoftDrop List & Accelerate Vesting**

([https://gateway.pinata.cloud/ipfs/QmNicgEEHsTMAvAJV464hjQ5agrNcdk4Zd1yxXzw2R6Tyu\\_8](https://gateway.pinata.cloud/ipfs/QmNicgEEHsTMAvAJV464hjQ5agrNcdk4Zd1yxXzw2R6Tyu_8))

### **2022-12-01: SoftDrop for Participants in the Softernet Round #5 - Optimism**

([https://gateway.pinata.cloud/ipfs/QmaPfrkF9ZkJD8DNp2vhkNpe7TcWwb1tZebmgTXxUJgha\\_12](https://gateway.pinata.cloud/ipfs/QmaPfrkF9ZkJD8DNp2vhkNpe7TcWwb1tZebmgTXxUJgha_12))

### **2022-12-08: SoftDrop for Softernet Round #6 - Celo and Softernet Round #7 - Arbitrum**

([https://gateway.pinata.cloud/ipfs/QmPaafsCxfDPBgfiekBiUN3t8wBDp8LFrsmzLRgWKCFHNE\\_14](https://gateway.pinata.cloud/ipfs/QmPaafsCxfDPBgfiekBiUN3t8wBDp8LFrsmzLRgWKCFHNE_14))

