COMMONS ECONOMY ROADMAP

Featured Project Card
IT1

Table of Contents

LexDAO

1. General Info

LexDAO is a nonprofit association founded in 2021 composed of **legal professionals** who are specialized in the **intersection between law and blockchain** technology. Their work focuses on integrating traditional legal frameworks with blockchain-based systems to enhance the efficiency, transparency, and fairness of legal processes and to reduce costs to access justice. This integration often involves the use of coded contracts and decentralized ledger technologies.

LexDAO engages in various activities, including research and development in legal engineering, training initiatives, and advocacy for open-source law and blockchain-based dispute resolution. They also collaborate with educational institutions and nonprofits, focusing on student-led projects and the advancement of public goods, and provide consultancy services in web3 development and decentralized organizational structures.

1.1 Links and Basics

The following table contains the most important links and contacts for the examined project.

Website	https://lexdao.org
Socials	Twitter, Linkedin, Discord
Contact	admin@lexdao.net

1.2 CER Internal Info

The following explains the internal tags in the Commons Economy Roadmap and then shows which of them apply to the card's featured project.

- **Function**: the function of the project is its main activity's focus.
  (In some cases it has been difficult to fit projects into one category, consider this framing as a simplification for good)

  - ***InfoTech Infrastructure***: the main focus of the project is providing information technology. Software and hardware for communication and coordination, as well as applications and protocols in the technological background of organizations are examples of this.

  - ***Economic Infrastructure***: the main focus of the project is enabling and/or mediating economic activity. Cryptocurrencies, payment tools, marketplaces and production protocols belong to this category.

  - ***Social Infrastructure***: the main focus of the project is being the community for a specific theme or need. These entities usually are thematic networks and/or distributed communities related to a particular context.

  - ***Expertise & Know-how***: the main focus of the project is providing expert knowledge. These organizations do consulting and/or research related to the infrastructure projects and usually consist of small groups of highly qualified individuals

- **Tags**: this property simply contains an informal and non-exhaustive list of tags useful to classify the projects based on their activities and expertise.

FUNCTION	Social infrastructure; Expertise & Know-how
TAGS	Governance, Legal, Web3

2. Economic Factors

In this section we analyze the project's financial and economic foundations, based on information publicly available or given to us by the projects themselves, including third parties' analysis.

LexDAO presents a multi-sided economic model in which people in need of legal advice can be connected to expert lawyers that also share a common vision on how to build a decentralized legal infrastructure.

As such, given the need for more sophisticated governance structures inside the blockchain world, LexDAO contributes to the ecosystem by providing a purpose for lawyers that want to engage in the blockchain world and to promote open legal techs.

2.1 Economic Impact

This is a short overview of the quantifiable economic impact the project has generated so far.

As LexDAO is a nonprofit meant at enhancing the role of legal engineers in the development of Web 3.0, strictly speaking the economic impact is not a main focus. Instead, LexDAO focuses on developing discussions and expertise about the legal infrastructure of the upcoming years. Their impact so far consists of the creation and curation of a community of blockchain lawyers, involved in a broad range of activities.

Also, LexDAO provides arbitration for the smart contracts they employ (and are developing).

2.2 Revenue Streams

These are the main avenues the project has to sustain itself.

Their nonprofit status implies that the revenues come mainly from memberships. At present, they can currently take two forms: either an individual membership for $300 per year, or a "work for membership program" of 15 hours per year. According to LexDAO's constitution, the membership of LexDAO applicants will be granted or denied by vote. Moreover, according to **LexDAO's operating system**, in the case in which approved major projects (Tier 2) receive external funding, they shall give 10% of it and 10% of tokens to LexDAO treasury for brand and DAOops.

2.3 Structural Competitors

These are the main competitors to the project's activity, whether within the Commons space, or without, among more traditional companies.

The nature and structure of LexDAO positions it as a unique case in the blockchain landscape of legal services. Other DAOs such as OpenLaw, dOrg, The LAO (Legal Autonomous Organization), are all finalized for providing some forms of services or investment and they cannot be considered structural competitors. In fact LexDAO is not a company.

3. Commons Orientation

3.1 Ownership, Governance and Funding

What's the configuration of the ownership and governance structures of the project, especially in relation to the main sources of funding received to date?

LexDAO aims at being a platform for discussing the role and future of legal engineering and for creating a community of lawyers around a common mission. Their common orientation also comes from their decentralized and democratic governance structure operating in the spirit of cooperative principles. These principles include:

- voluntary and open membership;
- democratic member control through distributed ledger smart contract voting management;
- autonomy and independence of LexDAO;
- providing education, training and information;
- cooperation with other DAOs and organizations;
- concern for the community.

According to ***LexDAO's constitution***, its governance structure is composed of an Operating Committee made of 9 people among 18 members with a procedure ensuring the rotation of members. Operators have to perform multiple tasks, such as maintaining and improving the operating system, managing discord, governance meetings, payout processes, and enforcing community rules. In order to perform these tasks, an assistant operator can be hired.

Currently an unincorporated, not for profit organization, LexDAO also created a **company for specific public facing needs**: "*LexDAO LLC [...] is a 'master' series LLC formed in Delaware for the purposes of for-profit, public-facing services and products associated with the LexDAO cooperative, a WY unincorporated non-profit association. Its membership consists of legal engineers who hold the LEETH NFT [...] and are members of LexDAO cooperative.*"

3.2 Workforce, Leadership and Inclusion

How does the project ensure diversity and inclusion across various dimensions such as background, ethnicity, and gender, both in the general workforce and in leadership roles?

LexDAO is currently active mainly in the USA. However, it is actively trying to expand to other countries. Moreover, according to article 1.5 of LexDAO's constitutions, LexDAO and its members shall not arbitrarily discriminate on the basis of race, nationality, religion, age, gender, sexual orientation, disability, political affiliation, or otherwise.

3.3 Decentralization and Distributedness

To what extent is the organization or system decentralized or distributed, and how does this approach fit with the specific needs and context in which it operates?

As explained in section 3.1. Moreover, according to the LexDAO's operating system there can be three different project types: minor, major and space launch.

- The **minor** or incubator projects can be working groups and projects at an early stage; they can be launched via a discord channel by 'Tier 2 Certified Members' without the need for approval.
- Instead, **major** projects are the bigger initiatives LexDAO is working on. They can be proposed by identifying a mission, the long-term goals, the team needed, the budget and revenues and other elements of the project plan. Tier 2 projects need to follow LexDAO's voting procedure.
- The **space launch** projects can create a sub-DAO with its own token and break out onto its own, still paying back to LexDAO as appropriate.

3.4 Nontraditional Economics

How extensively does the project implement and test economic models based on non-monetary transactions like mutual credit, barter systems, or resource-sharing networks (CoFi)? How does it operate differently from traditional corporations or non profits?

The very nature of the DAO makes it a nontraditional economic model in which tokens are used for voting. In addition to this element, LexDAO allows you to work 15 hours per year to get the membership instead of paying.

3.5 Socio-Political Impact and Challenge to the Status Quo

What impact does the project have on existing socio-economic structures, and in what ways does it challenge or seek to alter the current political and economic paradigms?

LexDAO challenges the traditional legal and sociopolitical status quo primarily through its decentralized approach to legal services and dispute resolution. By leveraging blockchain technology and smart contracts, it democratizes access to legal services, making them more affordable and accessible.

4. Robustness and Viability

In this section we examine the project's sustainability in the long term, and the viability of its objectives in light of its current and past activities.

4.1 Sustainability of Business Model/Tokenomics

How stable and sustainable is the business model and tokenomics (if applicable) especially in the long term?

LexDAO relies on its community not just for governance but also for driving innovation, ensuring legal and regulatory compliance, and fostering adoption through network effects. The economic viability, technological infrastructure security, and adaptability to legal challenges also play significant roles in its sustainability.

Essentially, LexDAO's endurance and growth depend on a robust, engaged community that can navigate the complexities of legal services in the blockchain space, ensuring the organization remains relevant, compliant, and financially stable in the face of evolving legal, technological, and societal landscapes.

4.2 Resilience and Track Record

What has been the project's historical resilience against economic fluctuations, market changes, and other challenges?

The project officially started on July 24, 2020 when the constitution was approved. The resilience can be observed, on the one hand, in the fact that **they are trying to build an international community of lawyers from different parts of the world**; on the other hand, from the fact they have embedded mechanisms for voting, changing the constitutions, and arbitration clauses to solve disputes that may arise inside the DAO.

4.3 Engagement with Community and Stakeholders

How deeply and effectively does the project engage with its community and stakeholders, and how does it build strong, collaborative relationships?

The project allows anyone to see LexDAO's public channels. Those interested and willing to contribute can join the guild, having access to a **series of rights** including: the annual membership; LexDAO NFT; governance token to vote in major DAO decisions; access to members-only discord channels to discuss various topics and get help; Get referrals of work from LexDAO (if you opt-in) and can claim work in #find-a-lawyer channel; earn certifications, such as our LEETH Legal Engineering Certification; access to the library of educational materials and CLEs.

4.4 Effectiveness of Organizational Processes

What's the efficiency, effectiveness, and adaptability of the project's organizational processes?

LACKING INFO - We asked the team to tell us more about this! Do you know yourself and wanna contribute your knowledge? You are welcome to do it, **find our contacts here!**

5. CER Considerations

In this section we explain why the project is featured on CER, give a few highlights about it and consider possible connections with other Commons projects.

5.1 Why is LexDAO on CER?

LexDAO is on CER as we consider the legal dimension to be **a crucial layer of action for the design and empowerment of Commons infrastructure worldwide**, as well as a form of defense against the hegemonic powers that always have weaponized the law against them. Legal engineering is an important emerging subset of this sector, enabling communities and organizations to develop more sophisticated mechanisms at the intersection of law, governance, culture and economics.

LexDAO is promoting the discipline with a global distributed organization already involving hundreds of law experts, tackling a broad range of cases and also providing pro bono services for low income individuals and poor communities.

5.2 Notes and Highlights

- **Decentralized Legal Services**: LexDAO represents a pioneering approach to providing legal services and dispute resolution through blockchain technology. It utilizes smart contracts to automate and enforce legal agreements, challenging traditional, centralized legal systems by offering a more accessible, transparent, and efficient alternative.
- **Community Governance**: At the heart of LexDAO's operational model is its community governance structure, which empowers its members with decision-making authority.
- **Innovation in Dispute Resolution**: LexDAO introduces innovative mechanisms for dispute resolution outside of conventional court systems. Leveraging blockchain technology, it offers a global, jurisdiction-agnostic platform for resolving disputes, which can significantly reduce the time and cost associated with traditional legal processes.

5.3 Commons Interactions

LexDAO is one of the partners of Q blockchain, but at the moment there have not been substantial interactions with other CER projects. We expect that as these global infrastructures evolve in complexity **the need for lawyers with an**

expertise on blockchain and distributed protocols will grow, and that a DAO-style lawyers network will find itself more intrinsically aligned than a traditional lawyers studio.

5.4 Room for Improvement

Something that can surely be improved is **communicating the nature and purpose of the DAO to lawyers and people outside of the blockchain scene**. Another challenge we foresee for LexDAO is that of focusing more and more resources toward non profit activities rather than to corporate clients, as well as that of developing effective tokenomics and ownership structures to make the organization a meaningfully cooperative community infrastructure rather than a network of individual lawyers.

5.5 How can I get involved?

Join **LexDAO's Discord Server** and introduce yourself!

Credits

About CER

The **Commons Economy** Roadmap is a research and promotion project, you can read more about it **here**.