

Updating FWB Token Ecosystem

Proposal Q2 2024

Focus: \$FWB L2 Migration and \$Benefits Token Launch

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Objective: This proposal details the strategic migration of the \$FWB token from the Ethereum Mainnet to Base Layer 2 and the introduction of a new token, \$Benefits, which will serve as a utility-focused arcade coin within the FWB ecosystem.

Rationale: Evolve the FWB ecosystem by migrating to a trusted L2 that offers more affordable transactions, easier onboarding, and strategic alignment with the future of how consumers will interact with blockchains. Introduce a new token into the FWB ecosystem that serves as a medium of exchange between ecosystem participants.

Timeline: The migration process is scheduled to begin at the end of Q2 2024, with preliminary steps to be initiated immediately following approval.

Conflicts of Interest: None identified thus far.

Objective

This proposal outlines the strategic migration of the \$FWB token from Ethereum Mainnet to Base Layer 2, coupled with the introduction of a new token, \$Benefits. The focus of this proposal is on enhancing utility, reducing costs, and expanding capabilities within the FWB ecosystem.

Goals

1. **\$FWB Migration to Base:** The migration is designed to future-proof the token within the evolving blockchain landscape, maintaining its role as a governance token. Transitioning \$FWB to Base L2 will capitalize on lower transaction fees and improved scalability.
2. **New \$Benefits Token:** Introducing the \$Benefits token for use within the FWB ecosystem. As an arcade token (see Appendix A), \$Benefits facilitates transactions within the FWB universe, such as exchange of goods, accessing services, and participating in community events, thereby enhancing the vibrancy and engagement of the FWB community.

Technical Approach

FWB will work with [Squad](#) to build the smart contract for migrating the existing \$FWB token from Ethereum Mainnet to Base L2 and launch the new \$Benefits token.

See Appendix B for overview.

1. Smart Contract Migration:
 - a. Develop new smart contracts compatible with the Base environment.
 - b. Implement comprehensive testing to ensure functionality and security on Base.
2. Token Swap Mechanism:
 - a. Create a seamless token swap mechanism for holders to convert their Ethereum-based \$FWB tokens to Base L2 \$FWB tokens.
 - b. This will involve a one-time swap event where users send their Ethereum L1 \$FWB tokens to a designated smart contract that will then issue the equivalent amount of recapped Base L2 \$FWB tokens.
3. Smart Contract New Token
 - a. Develop a smart contract that allows for minting of the new \$Benefits token, with no cap, on Base.
 - b. Creation of a multi-sig that will allow tokens to be minted & distributed at regular intervals.
4. Infrastructure and Security:
 - a. Set up the necessary infrastructure on Base L2 to support the new token's operations.
 - b. Conduct a full-scale security audit of new smart contracts to ensure the safety and integrity of the migration process.
5. Community Engagement and Support:
 - a. Launch an informational campaign to educate the community about the benefits and procedures involved in the migration & new token.

- b. Set up a dedicated support channel to assist users during the migration process & launch process.
- 6. Post-Migration Monitoring:
 - a. Monitor the migration process closely to handle any issues promptly.
 - b. Ensure continuous engagement with the community to gather feedback and provide updates on post-migration improvements.

Why Base?

Migrating the \$FWB token to Base Layer 2 offers significant advantages by addressing critical challenges associated with the Ethereum Mainnet. Primarily, this transition will dramatically reduce transaction fees and enhance processing speeds, making participation in the FWB ecosystem more cost-effective and efficient for all holders.

Our decision to migrate \$FWB to Base is not motivated by direct incentives but by a strategic and beneficial partnership. Base has been a steadfast ally to FWB, deeply aligning with our vision and consistently supporting our community engagement efforts. This existing relationship brings a level of ease and familiarity to the transition, making Base a natural choice for our needs.

Furthermore, Base not only matches our technical requirements but also resonates with our community's ethos and long-term goals. Their commitment to fostering blockchain adoption and creating an accessible, user-friendly environment aligns with our ambition to see widespread, mainstream use.

Partnering with Base offers the potential for retroactive funding through initiatives such as Optimism's (OP), which could provide significant financial support for further development. This opportunity enhances our capability to innovate and expand within the FWB ecosystem, underscoring the strategic benefits of our collaboration with Base.

Bridging vs Migration

The decision against implementing a standard bridging solution for the \$FWB token migration stems from our conviction that the future of consumer-facing applications and ecosystems will predominantly reside on L2 solutions. We anticipate that all significant activity and value exchanges will occur on L2s, negating the need to maintain a presence or use case for \$FWB on the Ethereum mainnet. This strategic choice ensures that resources and community focus are streamlined and fully transitioned to the more efficient and scalable L2 environment.

\$FWB Recapitalization

Supply recapitalization to 10M.

History

The original \$FWB token was launched as a 10M supply token via smart contracts created by the platform Roll. The Roll contracts were hacked, leading to the creation of a new \$FWB token that was issued with a

max supply of 1M. The shift from 10M tokens to 1M tokens at that time had interesting implications for FWB DAO – a tighter supply of tokens meant that gaining access to the community was, theoretically, even more scarce than it had been before, so long as the community continued to operate under the meta of seasonal updates to the token gating requirement for the Discord server. The 1M cap also represented a distinction from other common social token projects from the same era that FWB launched within, most of which operated under the assumption that 10M tokens was the prevailing ‘correct’ approach for supply.

Recapping Benefits

Returning to the original supply cap of 10 million \$FWB tokens is pivotal for fostering inclusivity and engagement within the FWB ecosystem. A controlled supply recap facilitates this by ensuring the tokens are accessible and actively circulated, thereby encouraging new memberships and enhancing participation in the DAO's governance.

Membership

Membership will move to 750 L2 \$FWB. Q3 2025 will be a major focus for the future of membership and this will be discussed & reviewed along with bigger visions.

Discord Access

Starting with migration, both L1 \$FWB & L2 \$FWB will grant access to discord. In Q3, 2025, FWB Discord access will only be for L2 \$FWB. There will be an extensive marketing campaign around this.

Indefinite Migration

The migration will be open indefinitely allowing token holders to swap at any time.

\$Benefits Token: Driving Innovation in the FWB Ecosystem

The creation of the \$Benefits token represents a strategic expansion within the FWB ecosystem, designed to complement the existing \$FWB token. As an arcade token (see Appendix A), \$Benefits facilitates transactions within the FWB ecosystem, such as exchange of goods, accessing services, and participating in community events, thereby enhancing the vibrancy and engagement of the FWB community.

Distribution of this new token will be governed by \$FWB holders, ensuring that its evolution is in line with the community's interests. The introduction of \$Benefits serves to diversify the activities within the FWB ecosystem, creating a more interactive environment that encourages both current members and new participants to engage more deeply with community-aligned projects and initiatives.

- **Decentralized Governance:** Governed by \$FWB holders, decisions about the distribution of \$Benefits reflect community interests, ensuring alignment with the ecosystem's values and growth objectives.
- **Incentives for Innovation:** Developers and users creating dApps for discovering new uses for \$Benefits could be eligible to receive retroactive rewards, encouraging significant contributions and ongoing development.

- **Ecosystem Use Cases:** Applicable across various activities including SIC products, community participation, and event attendance.

\$Benefits is explicitly designed for use solely within the FWB ecosystem, with no intended external market. It serves to reward member contributions, facilitating access and participation within the community.

Operational Framework

The \$Benefits token is a community-driven feature of the FWB ecosystem, designed to support decentralization and incentivization. It operates through smart contracts for token management and relies on the FWB DAO community engagement for decision-making.

- **Flexible Minting Capability:** A smart contract enables unlimited minting of \$Benefits tokens, providing the necessary flexibility to address community needs and seize emerging opportunities. Control over the minting function is held by the FWB DAO core team.
- **Community-Driven Minting Decisions:** FWB DAO members will vote regularly to identify actions and contributions worthy of retroactive incentives, directly influencing the minting and distribution of \$Benefits tokens in alignment with community values.
- **Exclusive Voting Rights for \$FWB Holders:** Only L2 \$FWB holders can propose and vote on \$Benefits token distribution, ensuring direct input from those most invested in the ecosystem.
- **Proposal and Voting Process:** L2 \$FWB holders submit proposals for new \$Benefits distributions, which are then voted on by the community, ensuring transparent and inclusive governance.

\$FWB Governing \$Benefits

The governance role of L2 \$FWB in managing the \$Benefits token is essential for sustaining its utility as a tool for community engagement and growth within the FWB ecosystem. L2 \$FWB holders play a critical role in steering strategic decisions that define the utility and integrity of \$Benefits. The governance framework itself is dynamic and adaptable, designed to accommodate periodic reviews and revisions that address emerging challenges and opportunities. This flexibility ensures that the governance process remains resilient and responsive, allowing the community to adapt its strategies for distributing \$Benefits in response to new technologies and market developments.

- **Token Supply Management:** Core team will initiate new rounds of deployment of \$Benefits token as needed to manage the ecosystem.
- **Dynamic Distribution Strategies:** After minting of new tokens, FWB Members engage in a two-week discussion to determine the incentives that these new tokens will support.
- **Flash Releases and Quarterly Grants:** While maintaining regular quarterly grant periods for consistency and predictability, the governance model also incorporates 'flash releases' for more dynamic & engaging systems.
 - Eg. Distribute 10 \$Benefits for new projects that find sustainable use cases for the token within the following month.
- **Partnership Approvals:** Any partnerships involving \$Benefits are governed by \$FWB holders to align with community values and the long-term vision.

Deployment

Initial Deployment

The first deployment of 100 million \$Benefits tokens is scheduled for Q1 2025.

This initial 100 million \$Benefits tokens will be distributed to participants who engage in the migration of \$FWB to the Base platform, rewarding early adopters and supporters of the ecosystem's evolution. This will be the only way to receive these initial \$Benefits tokens.

\$Benefits tokens will initially be distributed primarily to those who:

1. Migrate L1 \$FWB tokens to Base
 - 69M
 - \$Benefits will be distributed proportionally based on the amount of L2 \$FWB in in your wallet
2. Send ETH to PartyDAO LP (Detailed below.)
 - 25M
 - \$Benefits will be distributed proportionally based on the amount of ETH contributed
 - See Appendix C for example of LP distribution
3. Donate L2 \$FWB to LP / PartyDAO
 - 4M
 - \$Benefits will be distributed proportionally based on the amount of L2 \$FWB contributed
4. Vote on Migration Proposal
 - 1M
 - \$Benefits will be evenly distributed to those who vote
5. Activations at FWB FEST
 - 1M
 - \$Benefits will be evenly distributed to those who attend & use Mesh
 - Bend will create a leadership board for people who use it to transact; \$Benefits will be distributed proportionally according to leadership board.
 - Real world use case for \$Benefits

Second Deployment

50M \$Benefits V2 will be deployed to adjacent communities and different Base token holders. FWB members will vote on who receives and different groups can apply.

Third Deployment

V3 for \$100M Benefits will be put up for its own proposal in September after members have a chance to discuss IRL at FEST during community day on August 1, 2024. The focus of this tranche will be to define activities that will be rewarded retroactively.

Potential Use Cases

Given the flexible nature of the \$Benefits token, there are many potential use cases for activities within the FWB ecosystem including. The goal is to encourage the usage of tokens within the FWB & associated ecosystems.

- **Community Engagement:** Incentivize FWB members based on their activity level, interaction quality, and presence in community activities, encouraging sustained participation and contributions.
- **Retroactive Grants:** Implement a system of retroactive grants to acknowledge builders who have made significant past contributions to the development and enhancement of the FWB ecosystem, promoting a culture of recognition and encouraging ongoing innovation.
- **Incentivized Trials:** FWB members could earn \$Benefits tokens, which may be used within the ecosystem or for special access privileges.
- **Adoption Milestones:** Members who reach certain milestones in using and promoting FWB ecosystem products (e.g., number of transactions, volume of FWB tokens used, new users referred) could receive milestone \$Benefits rewards.
- **Long-Term Loyalty Incentives:** Long-term users of FWB ecosystem products could be eligible for loyalty incentives, which could include \$Benefits rewards and exclusive participation in beta testing of new features, and special recognition within the community.
- **dApps:** Utilize \$Benefits tokens as a primary transactional currency within various DApps developed by the FWB community, encouraging innovation and functional expansion of the ecosystem.
- **Social Media Promotions:** Launch time-bound activities that could be promoted through social media channels. These initiatives could be tied to both fun and rewards, appealing to users from diverse backgrounds, especially those already involved in cultural web3 groups and NFT projects.

LP

PartyDAO

Our suggested method to establish an LP for the L2 \$FWB Token is to create a [PartyDAO](#), which is a vital component of the transition to the Base platform.

We decided to use PartyDAO as we built a process that any community looking to migrate a token could follow. Finding a handful of whales is for the blessed few. Equally, as presented below, we wanted to provide the opportunity where any community member or person who wants to secure FWB's future could participate.

- **Overview**

- June 18th - Vote Closes June 21st - Audit
- July 29th
 - PartyDAO opens + Marketing Campaign
 - 3 Weeks
 - Full press
 - Marketing Begins as well
- Aug 1st Members Day talk \$Benefits

- **Community Stewardship**

- A select group of community members, deeply invested in the FWB mission, will steward the Party.
 - Member of Core Team
 - Member of Council
 - Member of SIC
- These stewards are responsible for managing the Party DAO and ensuring it serves the broader ecosystem's interests.
- They will have veto power over malicious proposals.

- **L2 \$FWB Token Donations**

- Purchasing enough L1 \$FWB to migrate & use for the liquidity pool will be too cost prohibitive to execute.
- Both FWB and whales will contribute L2 \$FWB tokens to the liquidity pool.
- This approach allows all crowdfunded ETH to augment the liquidity pool without being diluted, maximizing the impact of contributed funds.
- Those who donate L1 \$FWB will receive a portion of \$Benefits

- **Permanent Lock-up & Rewards**

- The liquidity provided will be locked up indefinitely, creating a stable and long-term resource for the FWB ecosystem.
- Contributors to the liquidity pool will not receive rewards from the liquidity pool's yields.
- Rewards will be reinvested in the liquidity pool.

Budget

SQUAD Developers	\$36,000
Smart Contract Audit	\$15,000
Front-End Designer	\$5,000
Total	\$56,000

Timeline

- **June 24, 2024** – PartyDAO opens
- **July 18, 2024** – Migration begins
- **September 2024** – Town Hall on \$Benefits
- **Q1 2025** – Launch of \$Benefits
- **Q2 2025** – Launch of \$FWB (Base)

Appendix A

Economic Definition: Arcade Coin

An arcade coin is a specialized token used within a closed economic system, such as an arcade or digital gaming platform, where its nominal value is irrelevant to users. Instead, the coin's primary function is to facilitate access to various goods, services, or gaming experiences within the ecosystem. The system allows for the dynamic adjustment of the number of coins in circulation based on user activity, demand, and rewards mechanisms.

Key Characteristics:

- **Fixed Utility, Variable Quantity:** The utility of an arcade coin remains constant in terms of what it can be exchanged for within the ecosystem. For example, one coin might always allow a player to start a game or buy a specific in-game item. However, the total amount of coins a user holds can vary widely, depending on their activity, achievements, or purchases.
- **Closed Loop Economy:** Arcade coins operate within a closed-loop system where they cannot be exchanged for real-world currency. This confines their value and utility to the specific environment they were issued in.
- **Inflation Control:** The system might adjust the supply of arcade coins through various means such as issuing more coins as rewards for achievements or purchasing them with fiat currency or other tokens. The aim is to ensure a balanced economy where the number of coins in circulation matches the intended user experience without causing hyperinflation or deflation.
- **Behavioral Incentives:** The design of the arcade coin system often includes mechanisms to incentivize user behavior, such as encouraging more frequent gameplay, participation in events, or in-app purchases. This creates an engaging and rewarding experience for users, further driving the internal economy.
- **Non-Monetary Value Perception:** Users perceive the value of arcade coins not in monetary terms but in the context of the enjoyment and advantages they provide within the system. This shifts the focus from the intrinsic value of the coin to its practical utility and the overall user experience.

In summary, an arcade coin's value is inherent to its utility within the ecosystem, and its circulating quantity can be adjusted to align with the goals of the system, ensuring a stable and engaging user experience.

Additional Reading

- [Coin Drop Capitalism](#)
- [The Microcosmic Arcade: Playing at the Cultural Vanguard](#)

Appendix B

Developer Scope for \$FWB Migration to Base

Services and Deliverables to be Provided:

1. Successful development and deployment of a Migration Manager contract that allows existing holders of \$FWB on ETH mainnet to exchange their mainnet \$FWB efficiently in order to receive the corresponding amount of Base \$FWB owed.
2. Successful development and deployment of a Migration Distributor smart contract and relay mechanism for the launch of \$FWB as an ERC-20 token on Base mainnet.
3. Successful deployment of the \$FWB token on Base with fixed 10M total supply, minted directly to the Migration Distributor contract.
4. Successful development of a front-end allowing \$FWB holders on mainnet to deposit into the migration manager smart contract and track their migration status.
5. Successful deployment of the \$Benefits ERC-20 token contract on Base with an owner address that has minting privileges, and no supply cap.

Specifications:

Contractor may be expected to perform duties such as:

- **Migration Manager Contract:** Develop a smart contract to handle ETH mainnet \$FWB token migration, featuring functions for deposit (deposit(amount) and deposit_to(amount, to)), recording depositor's address and amount, and token burn (burn(amount) onlyOwner).
- **Distributor Contract on Base:**
 - Develop a Migration Distributor Contract on Base, owned by a FWB-designated multisig. Initially, this contract will hold all 10M supply of Base \$FWB tokens.
 - Integrate a caller-restricted function to transfer \$FWB (transferFWB(_to, _amount)), while recording the recipient's address and the transferred amount.
 - Set up the contract so only a whitelisted address, designated as Migration Relay, can initiate transfers.
 - Allow manual token withdrawals by the owner (e.g., FWB multisig) to manage tokens directly when necessary.
- **Migration Relay:** Implement a mechanism (e.g. relay bot) to monitor deposits on the ETH network and trigger transfers on the Base network, facilitating real-time migration processes. For each mainnet \$FWB token deposited into the Migration Manager contract, the relay will initiate a transfer of 10 Base \$FWB to the recipient on Base.
- **\$FWB ERC20 Contract & Deployment on Base:** Deploy a basic ERC20 token on Base mainnet with a fixed supply and permit() function.
- **Audit Support:** Coordinate with a third-party auditor and support with managing the migration audit process, clarifying contract functionalities, and implementing necessary changes.
- **Front-end Development and Integration:** Develop a front-end interface for interacting with the Migration Manager and displaying migration status, ensuring a responsive and intuitive user experience.
- **\$Benefits ERC20 Contract & Deployment on Base:** Deploy an ownable, mintable ERC20 token on Base mainnet with permit() function no total supply cap.

Note 1: Smart contract audit is not included in the listed deliverables. This should be conducted by a 3rd party engaged by the Company.

Note 2: The exact frontend design will be provided by the Company. These designs are pending and should they prove more complex than initially anticipated, it may impact the budget.

Note 3: During token deployment, an initial 100M tokens may optionally be minted to a designated multisig wallet. Future \$Benefits token distributions will be handled separately and are not included as a project deliverable.

Appendix C

The first airdrop of 100M \$Benefits tokens after deployment. This will be the only way to get \$Benefits Tokens. \$Benefits tokens will initially be distributed primarily to those who:

- Migrate their \$FWB tokens
- Participate in the PartyDAO LP
- Donate L2 \$FWB to LP
- FEST Activation participation
- Vote on proposal

Here is a grid showing the distribution of 25 million tokens proportionally to 10 contributors based on their percentage contributions.

Contributor	Contribution (%)	Tokens Received
Person A	25%	6,250,000
Person B	20%	5,000,000
Person C	15%	3,750,000
Person D	10%	2,500,000
Person E	8%	2,000,000
Person F	7%	1,750,000
Person G	5%	1,250,000
Person H	4%	1,000,000
Person I	3%	750,000
Person J	3%	750,000