Scroll Strategy Update to the DAO - 2025/03/26 07:28 EDT - Transcript

Attendees

Abidemi Adenle, Anastassis Oikonomopoulos, Antoine Vergne, Axl Vazquez, Brian Adam, Carvas, Carvas's Presentation, Chris (Areta), Christopher Lema, Daniel Anomfueme, Daniel Ospina, Edwin Fernandez, Eren Targ, Eugene Leventhal, Fin Boothroyd, Ivey SEEDGov, Jamilya Kamalova, Jenga jojo, Kenechukwu Eze, Kirill | LobbyFi, Manuel González, Marlene (bitblondy), Matt Haynes, mexi web3, Siddharth Shah, Tino SEEDGov, Varit Ruangsiri, ZER8

Transcript

Eugene Leventhal: All right, Today is Wednesday, March 26th. It's our first governance call of today we have Carvis from the growth team joining us and we'll talk specifically about some updates on the LRT vision that he laid out. what was that maybe six weeks ago or so? and then we'll talk about some of the more DeFi and incentive elements. so yeah, excited to get into that conversation.

Eugene Leventhal: I also just want to give folks a heads up that later today we have two more calls. we have one that is specifically on delegate training and I believe that proposal should be ready to hit the forum today. So excited for folks to give feedback on it and see if we can get it passed in time for the April 1st voting cycle. So yeah, please feel free to join the delegate training call later today And then right after that for the afternoon call, we're going to have another general one on strategy setting where we'll have Emily join to talk about the scroll open to founders club pipeline and what they're specifically focused on and orienting around for the coming months.

Eugene Leventhal: and then Juan will be with us as well to present a little bit on the kind of framework for the local nodes as we also want to reorient that program specifically around surfacing founders and figuring out how to support founders and encourage them to join the scroll open the next one which will probably be in July or so. So yeah, we are excited for all these things to progress. and then next Wednesday we're going to have Raza who's the head of growth joining to present on kind of overall growth updates. to help us brainstorm and think how the Dow can best support in that direction.

Eugene Leventhal: so yeah, I think for the April 1st voting cycle, we'll definitely have the Uklid upgrade go live for that. I will drop the link for that in chat. please feel free to comment or bring up any questions you might have there as we're gearing up for that. and then the delegate training one should be hitting the forum today which we'll share in the delegate telegram group. great. So I think with that Carvis if you're cool with it would be great to pass off to you to get some overall updates from your side.

Carvas: Yeah, totally. glad to be with everyone again. and back in one of these calls. So, last time that I came to one of the Dow calls, we were laying out the vision for the LRTs. mostly in this one. I want to give an update on that and I want to give an update on all of the things that we kind of presented last time where we are on them right now and then some of the new things on the DeFi side that have been moving along and where there might be as well surface area for collaboration between the DAO and kind of us at the internal team.

Carvas: I'll share an evolved version of the presentation that we used last time, but I mostly want to focus on the updates and the things that happened and new timelines that we have in terms of where each thing is going to launch because we've have obviously the last month to work on all of that. So, just as a refresh for everyone, these two assets are LRTs that we're building with a bunch of partners right with layer zero with obviously Lido with Melo and Symbiotic. right now we've basically been developing the architecture for how the LRTs get actually rest the problem or the challenge that L2s have with building restaking assets is that the restaking platforms basically sit on L1, right?

Carvas: So, Symbiotic and IN are essentially living on Minet and we want to have all of the UX, all of the token mating processes and all of that happen on scroll and all of the actual capital to be represented on scroll as well in the safest way possible and in the most seamless way possible. So, that's basically what we have been developing with the good news here and the first update I want to give in the presentation is that the final solution has basically been developed. It is ready to go and the audits were published a few days ago over the weekend and so now we're fully ready to launch the LRTs whenever we have all of the market pieces in place. But we are 100% ready in terms of code with again the L zero null solution that we have.

00:05:00

Carvas: if anyone wants to take a look at the spec that we're using. We're obviously also going to be publishing the audits and opening up the code boys. So if anyone's curious, they are happy to share. This is a very simplified version of the architecture that we ended up with. We went through a bunch of them again with these partners, but essentially the idea is that people are like for the user all of the UX is going to happen on scroll. It's going to be quite seamless. People are just going to see the experience of stacking something on scroll and then getting a tokenized representation of the rest position they have which is the LRT. Under the hood, we're basically using OFTs. So, this wasn't the initial solution that we had in mind, but it's the one that we're going with now. And we're using OFTS, which is the token standard by layer zero.

Carvas: And then the asset that people stack on scroll essentially gets converted into an OFT goes into L1 and gets rest like there. And then leure is also the messaging solution that we're using to be able to slash back and forth. So sending the slashing messages back and forth so that we can flash the position based on messages on the L1. And then also for the rewards. So the rewards are also going to be coming from L1 to L2 which is quite a creative and it's the thing that we wanted in the sense of bringing additional capital and additional incentives into scroll in terms of how the front end is going to look like. Also wanted to give a sneak peek on that. So this is essentially a new pudge that we're going to be releasing in the scroll.io

Carvas: your website where we are going to be centralizing most of the onchain interactivity into one page. So most of the onshine interactions that people have been either looking at or doing through the scroll website, it's all going to sit under one page and we're going to have the sessions there. We're gonna have kind of like a homepage aggregator of sorts and then we're gonna have the native assets as one of the tabs and then the stacking and unstucking experience going to be quite standard but obviously adapted to scrolls brand and scrolls vibe where people are going to see all of the B info that they need.

Carvas: A couple things to keep in mind with the LRTs. if you end up chatting about them with other people, other partners, other projects in the space, obviously LRTs have an unstike period. And the reason for that is it's basically to make the system work because they are securing capital and so there's kind of a queue, right? There's kind of an end staking period that needs to happen. Ours is going to be around two weeks. these seems a little bit long but it's actually the standard in most of the symbiotic RTS or most of the mellow symbiotic LRTs. So I would say that's the only thing to keep in mind that might be a little bit different UX wise. Other than that this is the sneak peek of how the final budget is going to look like.

Carvas: We do have a soft launch date in mind that I'd love to share with all of you that we have been we've started to share in the beginning of this week with partners and projects which is the So we're now targeting the 3rd of April as the release date. were quite close. and we think that's where we're going to be essentially opening up deposits and doing this soft launch. that puts us at basically one week from now in terms of growth plans around the LRTs. Also have a couple updates there that I'd love to share.

Carvas: So in the last time we mentioned that one of the growth plans that we had in mind was essentially upstream of the LRTs right so we've kind of been splitting the strategy between upstream and downstream where the LRTs are kind of like the asset layer upstream is where the capital is coming into the LRTs from right so what's like the flow of capital into the LRTs and then downstream is more like where do the LRTs themselves go right? Where do these tokens get deposited? Where do they get traded? Where do they get borrowed against? And all of that. So on the upstream side of things, we do have an update which is basically after a month or even longer of due diligence and negotiation with the different vault providers, we're now committed to working with one that we've kicked off the process in the beginning of the week. So we're going to be working with Upshift.

00:10:00

Carvas: If anyone wants to check them out or if anyone wants to learn more about them, feel free to do so. It's just upshift. There's a bunch of reasons why we picked them and again happy to give light into that if there's any questions. But these are going to be D5 vaults. It's something that VFI is really emerging towards and it's part of a broader thesis where one of the things that we have seen and that a lot of people in D5 have seen recently is that finding the best risk return in farming on Shine is just getting too complex across the board. Right?

Carvas: in 2020 and 2021 when I joined DeFi and when I started doing stuff on Chime, it was quite easy to look through all of the yield sources, look through all of the farms, look through all of the protocols, and it was quite easy to just have a really good performance that was comparable to the best To the best liquid funds at the time. I think right now it's getting quite complex because first the protocols themselves are much more complex than they were before.

Carvas: They'll think morpho is much more complex than in terms of how many choices you have as a user how many things you got to look at how many things you got to validate right as a user and as an LP or think UNISOP v4 is infinitely more complex than unisoft v2 right it's just much more fragmented and even riskier right in that sense but obviously there's a lot of benefit from there and so first there's all of the protocols now and all of the current versions are much more complex and much broader let's say in how many things you got to look at and then secondly there are just many more chines and many more protocols. So one of the things that we've seen we've basically seen two trends emerge to kind of fill the gap there. The first one is the outperformance of liquid funds.

Carvas: So liquid funds have been kind of outperforming retail in terms of providing liquidity on shine. We don't really like that trend too much because obviously we are on the side of the user, We're on the side of the regular person that wants to partake in DeFi like I am and a lot of people are. But the second thing that we've seen that is a little bit more optimistic and that solves that same problem is the rise of vault, right? Then vault is essentially the same experience as L helping in a liquid fund but in a managed position on China right so we're now because of that and because of that kind of thesis of where DeFi is going we decided that we wanted to build these vaults we're going to have one for ETH and one for USD or for USDC and these are just going to be managed by professional liquid funds that are going to essentially work with this grow foundation on

Carvas: on building the vault and then people are just going to be able to LP USDC there and then be exposed to an actively managed strategy that's delta neutral to the asset that you deposited, right? So The USDC one is always going to denominate in dollars, And then the idea is you just keep all of the delta there, but then you're maximizing risk return yield on top. And so this is the other idea that we had that we presented in the last time that I came to one of these calls. now it's basically decided and now we're moving along with upshift and in the process of building the actual vaults. we're now doing due diligence on all of the liquid funds to see where we can find the best commitment for the long term in working with the ecosystem, working with the projects and then working with the info provider which is Upshift itself.

Carvas: So this is the third the plate that I wanted to give which is we're building the vaults. we think they're going to come out probably end of April but they're still very much at the design end and build out phase right now. The vaults are going to be synergistic with LRTs as well as with the rest of the ecosystem. with LRTs because obviously on the ETH side a lot of the capital naturally will be LPD into scroll ETH which will help us bootstrap the assets which will also kind of give the LPS the best risk return here at this layer.

Carvas: and then it's also going to be very very synergistic with the rest of the protocols and with the rest of the apps because we want to have the vault kind of LP in a diversified by crossexes across lending markets across CDPs on scroll. So this is still the overall growth flywheel and the overall growth plan that we are targeting and going after. And we also have a couple interesting updates on the DeFi side of things. I'm probably going to let Raza talk about some of the projects coming especially on the PayFi side and on stable coin payments on an offramp etc. and on all of the things that are coming up there especially in the emerging markets. other than that basically still working with the same partners for the LRTs.

00:15:00

Carvas: So you're going to be able to see beginning of April scroll alerts listed on Melo's website on Symbiotics website which is also going to give us good visibility. And then coming to the last update that I wanted to give in this call to remind everyone right and to kind of this again the vision we have for the LRTs goes a little bit beyond DeFi and it goes a little bit into a broader resting strategy and the broader resting vision. Sorry I'm a little bit under the weather today. So initially we wanted to market the LRTs and

Carvas: to come out with them as the first ecosystem LRTs where it is an ecosystem building the assets right and then launching them and then trying to integrate them quite deeply inside of the chain…

Eugene Leventhal: Yeah, of course.

Carvas: but longer term sorry give me just one minute to drink a little bit I'm just a bit constipated So longer term what we want is essentially we want to find a way of solving the current challenge in resting which is the mismatch between demand and supply. Right? So again another thesis that we have when looking at restacking is that there's just way too much supply and way too little demand for the capital that's there. Right?

Carvas: So let's say restacking V1 wave 1 was zagen layer 2023 beginning of 24 and that was let's just bootstrap as much TVL as we can let's just get to $15 billion and then we'll figure out the demand letter right that's like resting wave one we think that resting wave two which is the current one it's much more conscious in terms of how much capital it actually needs for the use case that we're trying to go as a risk takingaking industry.

Carvas: So we think that symbiotic is playing that quite well and we have also a vision that we think is differentiated in how we want to contribute to that and the vision is so again to step back the supply side is the LRTs how much capital sits in resting platforms and then the demand side is AS's how many apps actually are interested in in paying for this shared security that they're getting from the LRTs Right, we're kind of adding to the supply with the scroll LRTs, but with a very concrete vision of how we get to the demand side, right? How we get to the actual usage to the actual applications that are going to benefit from all of the security being out there, which is that we think that over time we can have scrolls, right?

Carvas: where we can have scroll adjacent apps that utilize the scroll LRTs as their primary source of security. we've had one very interesting update here which is as a lot of you guys know we've been running scroll open for the past few weeks. Scroll open is a program that Raza is going to talk about in the next call, but just as a refresher, scroll open is kind of our evolved founders program, right? We have a bunch of founders across the world working for six weeks in building some application in building some MVP of either inside of VFI or outside of V5.

Carvas: it's up to them and now the results have been coming and even one of the projects there is essentially a symbiotic network right is an AVS and now very likely that AVS which is scroll adjent right it's like a project that came up in the scroll ecosystem it's still in stealth but very likely they're going to be utilizing the scroll LRTs as their primary source of security so we had the first example which is really cool of an application that actually needs the security to sit on scroll for their app to work, And they are in the space essentially optimizing yields with an AI agent on shine which needs to be validated and secured that it can be trusted.

00:20:00

Carvas: we'll present them a little bit later but that's one of the interesting use cases right is applications and builders coming up inside of scroll that then actually want to plug into the scroll RTS so I think that's the other way that we get to more demand and to more usage is by scroll itself as as the foundation or as labs building as ourselves right I think that's also a surface area that opens up to the DAO and something that I mentioned in the last call which is if any of you guys are interested or involved or also helping networks and as out there we're always interested in chatting with them and we think there's a very interesting loop that can happen. and just to wrap up and this is the last thing that I wanted to show.

Carvas: We've kind of been mapping out all of the applications we think are out there in Ethereum that could benefit From being actively validated services and by utilizing risk takingaking capital as their source of security. so we've also spent the last month doing that and now we basically are opening up conversations with all of them and employing the scroll to move that along. So this is the other call to action I would say from my side which is any intros to advs or any conversations you guys have with networks either on the Agon ecosystem or symbiotic we're always open to taking them and to seeing if there's an angle for collaboration with us and those are all of the updates that I have. I saw a question asking if the slides are available.

Carvas: We shared them last time to the people that asked. So for you, I'm not sure how to pronounce that. If you want to just drop me at the end, I'll share the slides.

Carvas: No problem.

Eugene Leventhal: Yeah, thanks for bringing that up,...

Eugene Leventhal: Rosbon, and thank you for presenting, Carvis. It's definitely exciting to hear some of the updates that are in the along the board here, and it seems like this is going to be an active couple weeks and months on that side. But yeah, if you have questions, please feel free to hop in.

Eugene Leventhal:

Matt Haynes: Hey, thanks for the presentation. Appreciate it. maybe this is obvious and I'm maybe not understanding, but does this specifically support the payments strategy that I know scroll was sort of focused on there? Or just is this core infrastructure that supports it?

Carvas: Yeah, great question, Max. I would say at least for now, I view the LRTs and AS strategy as a little bit orthogonal deployments. in the sense that there's definitely a bunch of scenarios in the future where one example there of how they converge is for example with the prover market on scroll the way that we do proofs is we've actually onboarded the proof market which is Ferma recently but up until then it have been just with individual servers right in individual provers like companies that run servers that we were using to kind of generate the proofs and post them on Ethereum.

Carvas: but one of the ways that can evolve is that the prover system becomes an EVS as well right and then we need capital to secure that. Another one would be let's say sometime in the future if the scroll dial decides that the sequencer should be decentralized right sometime in the future that's something that can also be secured by restate capital. So there's a bunch of components in the scroll chime that can eventually be secured by restate capital and if that's the case then kind of like scrolls own security and own economic security is built on top of LRTs and on top of re restaking layer. so that's one of how the two can converge right because then kind of like payments and stable transfers are being validated by that at the end of the day.

Carvas: But I would say that at least for now and for the foreseeable future, I see the two plays as a little bit orthogonal. So, this is something we're doing as our kind of foothold inside of resting, but also as something that's synergistic with DeFi on scroll. And then we see payments as probably the biggest spec that we're making, which is for additional usage and for actual additional support to people that actually need crypto, Outside of the DeFi bubble and outside of crypto Twitter, let's say. So TLDDR right now, I think they're a little bit happening in parallel. In the future, they might converge,...

00:25:00

Carvas: they might not.

Matt Haynes: Cheers. Thank

Eugene Leventhal: Yeah, if anyone has questions about this,...

Eugene Leventhal: I know there were also some questions in chat that had come up around some of the recent activity and just what we're focused on. I think this is a relevant time to just stress that with the DeFi grant program, we decided to put that on hold with some of the changes overall just in the space and making sure that whatever we're spending time and energy on has a high chance of supporting growth in the ecosystem.

Eugene Leventhal: And so, of course, if folks have questions directly on what Carvis presented, that would be great. But we could also zoom out and potentially start brainstorming a bit on, what are some of the approaches around growth and incentives that seem to be working well in other ecosystems and just brainstorming a bit more in that direction. But yeah, Tino, please.

Tino SEEDGov: Thanks Good morning thanks for the presentation Carlos. It was really good and it was really easy to follow it. So thank you very much because it's not a simple topic what you were presenting today. So thanks for that. And I think that this is a really good idea and this is something that from SID go we were kind of very vocal lately because we have some concerns about the liquidity on chain and we have some concerns about maybe we can say about the use case that the token has today. No, I'm talking about ACR.

Tino SEEDGov: So this is a really good way to give a use case to the token and to basically give those who are holding an incentive to hold the token. So really happy with this presentation. I'm really looking forward for this to be implemented. But I have a question because I know that sometimes there was some kind of discussions about staking and the token. No, but when we were talking in the past about the staking, we were talking about this kind of solution or this also another type of solution that will involve staking the token.

Carvas: Yeah, great question. So there have been as you mentioned first of all thanks for the initial comments. we think so too. on the question itself there has been a lot of conversation especially at the research scene about staking in one of two ways right so shining a little bit of light into that obviously the word stiking is quite broad in crypto it's basically just putting capital at stake for something right for some service to be able to happen and we've actually discussed staking in three different ways.

Carvas: And it gets a little confusing because whenever people add scroll say stacking it can be any of those three. The first one is this one that I just presented which is restaking capital right this is working with symbiotic in our case guys or in the future perhaps for putting capital on those restaking platforms and then securing third party apps that can have nothing to do with scroll or can have something to do with scroll right but it's more abstract and building LRTs on top of that. the second way in which it has been discussed is staking capital that sits in the scroll bridge or scroll building liquid staking ourselves. So this was one idea that's not going to be pursued anytime soon and it's kind of like the commission but it's something that also has been discussed right by the internal research team.

Carvas: The idea there would be kind of like how some chines just put the ETH that they have in their bridge at stake. They just put it in the beacon shine to secure Ethereum itself, For POSOS rewards and basically building a staking module that would do that. That's one of the ideas, but again, that one isn't really going to happen. And It wouldn't be restaking. it would be just native vanilla staking for POS rewards. The third one in which staking has been talked about or discussed would be building in protocol STR staking. So building an actual staking mechanism for scroll tokens for ACR on scroll to secure or to distribute fees from the scroll chain itself.

00:30:00

Carvas: So this is the last one that has of I think a lot of the L2 have looked into that, how can we kind of have a native staking mechanism for our governance token. this one is also not coming anytime soon and it's just kind of like something that gets discussed which I think it should get discussed both by the Dow as well as by the foundation and labs. but it's also not something that's coming anytime anytime soon. It's just one of the other ideas that naturally we should discuss. So these are the only one that's launching soon is these LRTs recycling which is basically not happening in protocol, right? It's just something built on scroll but it's not a part of the actual protocol.

Tino SEEDGov: Thanks for the explanation. It really makes sense.

Eugene Leventhal: Antoine,…

Eugene Leventhal: did you want to jump in?

Antoine Vergne: Hello long time no I had difficulty joining in the past weeks. Gene. Hi everyone. Son, I have a question about the third use case you mentioned for staking and I think and I don't know how far this is a naive take to it but I always have been bothered by the fact that you need to choose between putting your governance token to use in a protocol and using it for governance and from what I followed in the past years I still have seen no other competitor being able to

Antoine Vergne: think really about can I have the V token or like you do with YT and PT so I split my token into the governance so can I use it for governance when even if it's staked into whatever protocol so can I have a splitting mechanism and I know that there had been some thinking about that a couple of years ago it seems to me that it's not top on the list of many maybe for regulatory reasons but I wanted to understand because I think If that happens then it's a huge competitive advantage advantage in comparison to other ecosystems.

Carvas: Yeah, that's a great question. something that we've also been spending a lot of time bringing up and discussing. TLDDR there is we also don't really have a good solution for that. the problem that Antoan is mentioning again is a perennial thing in DeFi which is basically the only thing that gets accepted for Dow votes right or either onchain whatever it's the actual right the actual if the governance token goes into a unis swap pool if it goes into a nay token which means getting deposited if it does anything right it stops being the thing that's allowed to vote

Carvas: And there's kind of this dilemma which is do I just keep the governance token to vote on proposals or do I try to use it as collateral or as a trading pair for additional yield. we also don't yet have a good solution on that. It is something that's very top of mind. It is something that the governance team at scroll Eugen and Chris even last week brought up to me quite a lot and quite well. but it's something that again we don't really have a good solution on and…

Carvas: something that I would say just in research phase on should we work on with someone to get that done? Should we try to build something internally? Yeah. So…

Antoine Vergne: Yes.

Antoine Vergne: I mean…

Carvas: if you have any good pointers or…

Antoine Vergne: because Okay.

Carvas: suggestions I would love that. Yeah.

Antoine Vergne: I'd be interested to follow that because I think the first ecosystem to crack that nut will gain a pretty good advantage.

Carvas: Do you have any good ideas on how to do that? Okay.

Antoine Vergne: I had thought about it in the past related to the optimism ecosystem.

Antoine Vergne: And I had a couple of discussions but it was already a year ago or something like that. but if there is a working group on that, I'm interested to

Eugene Leventhal: Yeah, thanks Antoine.

Eugene Leventhal: Yeah, we don't have a set working group on that, but if that's specifically of interest for folks, we can definitely get kicked off. I know as a first step we want to catch up with some of the tooling providers in the ecosystem just to kind of see where they're at on this and get a sense of, is this on their road maps and how far into it they are. so yeah, that's going to be kind of the first step to just check in with Agora and some others to see where they're at on that side.

00:35:00

Eugene Leventhal: and then from there we'll kind of figure out and circle back with Carvis and others to kind of get a sense of are we happy with and excited by what's happening at the tooling provider level or do we need to explore separately. I think yeah I mean just obviously if the tools that we use are trying to solve this problem and seem to be doing so in an interesting and exciting way that would make it easier. and we can kind of see how that goes.

Eugene Leventhal: But I agree with you that I know in talking to a number of folks this seems to be more and more on people's mind especially as we're seeing various tools start to try to offer APY on governance token and trying to incentivize directly there. So I think sooner than later this is going to be kind of a standard across the space and we definitely don't want to be behind on that one. Yeah, I guess.

Antoine Vergne: No, thanks a lot.

Eugene Leventhal: Please answer one. Of course. and yeah, if anyone else has any questions, obviously, please feel free to Yep, Tino, please jump in.

Tino SEEDGov: I have a question about even though it's something that is not going to be implemented soon. The thing is that when you mention the possibility to generate staking rewards obviously in your mind where are they coming from? are you thinking of for example using that the sequencer is right now gathering from transaction fees or…

Tino SEEDGov: are you planning to I don't know take some SCRS and exchange them for E what is the idea behind that?

Carvas: You mention you're selling for that second option of scroll building a stacking module right for ETH.

Carvas: So again that's just one of the ideas that was in research for I can say what would be the universe of options or the set of options that could lead to but it's not like any of these are going to happen right just hypothetically the things that could be done there.

Carvas: So the first thing that could be done there is very simplistically just builds a stacking module kind of like lido right scroll builds its own lid and then people can opt in and that they have in their scroll wallets kind of in a very nice and abstracted way into scroll st right personally I think we probably shouldn't do that because it not big enough of a prize. Plus, we already are going to have scroll leaf which is the LRT which is more bearing and more useful. But that would be one of the scenarios. The second one would build a staking module and then puts all of the that sits in the scroll bridge into it. And so this would make scroll like a st by default type of chain, right?

Carvas: where all of the ETH in people's wallets on scroll would just be ST by default and instead of having ETH on their wallets, they would have an LSD. It could still be the canonical type of ETH on scroll, but it would just be actually stacked under the hood. This is the other way in which that could be done. some chains have done that, even though Blast didn't build a second module, they used Lido, but they did abstract away all of the wallets being stacked. I personally also tend to be against that, but that would be one of the other ways of doing that. The reason why I don't like it as much is because I think it breaks a little bit the DeFi activity, right?

Carvas: if the trust assumptions and the security assumptions and even the econom economic assumptions for become different and become kind of the same as likely instead of then I think the lending markets have to change quite a lot and even dexes I think have to change a little bit. So that would be the other way. And then the last one would be even lower touch which would be the scroll foundation or some of the entities or a group of the entities just staking that they have and that wouldn't even require building a staking module. It would just be like a DeFi operation. that's more like treasury management. I'm not as privy to those conversations or to that side of things.

00:40:00

Carvas: I think long term that would be a w a Dell decision in the very long term. I think right now it's probably not super relevant. yeah, so TLDDR personally I think all of these stacking directions for ETH aren't that useful…

Carvas: but that's the universe of options.

Tino SEEDGov: Awesome. Thanks for that, Chris.

Eugene Leventhal: And so yeah,…

Eugene Leventhal: if folks have any other questions, please feel free to raise virtual hands. Otherwise, I'd be interested in thinking about and at least starting the conversation on, what the DAO and the delegates would like to focus on in the coming months. when it comes to the ecosystem growth side of things, right, we were planning the DeFi grant program as being the first initiative there.

Eugene Leventhal: that's at least put on pause for now. we can revisit or restructure it and when that makes sense, but it seems to be a non-contentious decision to hold off on kind of the broad program. we are going to be meeting later today about the local nodes. And as those communities surface founders, we will be able to potentially structure a more specific grant program servicing those communities. as those communities get off the ground and we see the kind of founders or builders emerging there. But that does kind of leave an open question of what does the DAO kind of focus on for now. of course we can kind of wait and see how some of these new things that Carvis is presenting on how they go in the coming weeks and next few months and kind of revisit.

Eugene Leventhal: But I know a lot of folks here have quite extensive experience in various capacities on ecosystem growth. my current thinking is potentially doing kind of an open call or an RFP to see what kind of ideas can come up and that we can evaluate those as a community. But would also be very interested in hearing from folks just with with kind of where growth is headed with some of what Carvis presented. Do folks have any specific ideas that they think are worth discussing with the community and considering in terms of a direction around ecosystem growth?

Eugene Leventhal: Yes. S please.

Antoine Vergne: So there is one idea I wanted to write it down since a couple of weeks and month but now I can share it. It's a very how you say first sketch and at the brainstorming idea. I was thinking so we had a couple of good examples of exit to community. So that principle that you have a company and instead of bringing it public with shares and that kind of thing, you give it to the community and the of course blockchain ecosystem and a tokenized you say ownership of such a company can be a very very powerful. I mean we have the technology for that now.

Antoine Vergne: And I think there is what could be a very good approach would be if we develop a service for companies to do exit to community on scroll and so it would be a kind of a package and it would really be and why I say that is because my day job is in France which is around since 26 years and of course because of my interest in the blockchain in web 3.

Antoine Vergne: I talk about it but the corporate structure of that we are at the moment imagining of transitioning to cooperative and then the question is so do we do that and of course you can do a traditional cooperative or you could have someone telling you hey look it's easy we have a process for you how you exit to community through a pipeline and that's done onchain with a token and that kind of thing and it can be done on scroll and I think

Antoine Vergne: that could be a very very powerful business case or use case for people that exist because you have hundred of thousands of them all around the world and if there is a way to help them transition to something owned by their community or…

00:45:00

Antoine Vergne: just even maybe opening their capital or their shareholder structure and there is a good pipeline for that which is linked to a specific technology being blockchain I think that could be very powerful Foot.

Eugene Leventhal: Yeah, thank you for sharing,…

Eugene Leventhal: Antoine. coincidentally enough, we are talking to the exit to community research team to explore a potential research project where they would effectively do some more web 3 specific case studies and to generate a checklist of sorts that could be used both within Scroll or within our broader ecosystem by those working with us to try

Eugene Leventhal: to formalize the process of exiting to community. I think that area still at least I have not seen any more operational oriented playbooks of what are the decisions to be made and at which points are you ready for them and things like that. just signaling that that is a topic of both a personal interest and something we're exploring at the foundation and can definitely see how we can work on that from the DAO perspective as appropriate.

Antoine Vergne: Accident.

Eugene Leventhal: Yeah. Yeah. So, let's jump to Ive and…

Eugene Leventhal: then Daniel.

Ivey SEEDGov: Yeah, thank you Carver for the presentation.

Ivey SEEDGov: Hero gene thinking out loud maybe from the D side we can have some sort of streamlight workflow just to work on all of these on a single stream light and not maybe define one side alert another whatever think it out loud but maybe we can have working group of some sort and just try to integrate those conversations in something more streaming streamlined of a strategic maybe in the next CCC I don't know what the timing would look like but

Ivey SEEDGov: just to have one single, working group or flow and just have a recommendation dock or a strategic doc or whatever. just to have all of this in one single place instead of maybe having an open RFP and…

Ivey SEEDGov: just having, a lot of input that might be a little dispersed maybe. So, yeah, just dropping that here.

Eugene Leventhal: Yeah, for sure.

Eugene Leventhal: And the next CCC is tentatively scheduled for June, but given a bunch of changes that are coming up, we might decide to move it up to host some discussions. and the idea of the org design around the DAO and kind of figuring out the right working groups is very top of mind. so yeah definitely want to bring that up sooner than later. but yeah Daniel please

Daniel Ospina: So we have some initial progress on the research to then go and facilitate the development of an ecosystem development framework. There is already a few needs that are starting to get identified from some of the early research. It still need more time to let's say ensure that that's statistically relevant. as we're just starting the process. But depending on the timeline that is needed here, we could potentially just kind of ride the wave of the initiative and start to present some preliminary findings to kick off the conversation around figuring out…

Daniel Ospina: which programs to select and do that based on the research of what actually leads builders to pick ecosystems.

Eugene Leventhal: Yeah, definitely excited.

Eugene Leventhal: It will be interesting. I guess we can coordinate offline. But yeah, as y'all are ready to at least informally present some of that in the coming weeks, I think that would be great to hear and to loop into these kind of broader discussions on where are we trying to head with the ecosystem from the DAO perspective. so yeah, thank you for flagging that Daniel.

Eugene Leventhal: Chris, please

Chris (Areta): Yeah, thanks Eugene. I think I'm just wondering what's the best way to pick up the conversation on the grants program because I mean I know that we have things to consider if it's the best approach for scroll down given the things we've seen the ecosystem cancellation of ZK ignites and current set of market but I still think it's something we should probably still think about and talk more about because we're having all these local nodes and community building initiatives right in scroll currently And that means we'll be having people who are being onboard into the ecosystem and it doesn't make sense for these people to be coming in and there's no form of support to sort of funnel them to help them build the projects and solutions that they coming to build on school.

00:50:00

Chris (Areta): So I don't know if just passing the grant program is simply the right approach or if we should be thinking more of how we can restructure it and make it more outcomes based and tangible so that we can get those outcomes that we want because from my perspective there's not so much good what we have right now and nobody research that Daniel is doing and the work that the data metrics working group will also do should somehow coincide with how we think of the grants program bring forward. I just don't think, passing it and…

Chris (Areta): leaving it at that it's the best approach. So, I don't know what do you think is the best way to move forward with that?

Eugene Leventhal: Yeah, for sure.

Eugene Leventhal: So, I guess a few things there. I mean in terms of the specifics of how to move forward next week we'll have Raza join and we'll have kind of a broader conversation on strategy and this afternoon in Eastern time is going to be specifically on the scroll open founders pip founders club pipeline.

Eugene Leventhal: So I guess one element is just timing wise as the local node projects get voted on there's a chance we'll see one come up for the April 1 cycle but I guess timing wise it's likely that we'll have a few come in for May 1st so we'll have some more time for feedback and alignment there and as those get off the ground the next scroll open will in July. So that is kind of one direct funnel we can work with folks towards.

Eugene Leventhal: I guess a thought on my mind and where I'm also really interested in hearing some of the needs that are surfacing in the user research project is understanding what else is kind of needed and is it financial support that is the priority in the short run or is there some other kind of support for builders and founders that actually feels more prevalent at this early stage. obviously it shouldn't be a pure either and it's finding the right combinations thereof.

Eugene Leventhal: I think the main concern with a grant program is just making sure that we're giving any kind of capital allocation, whether grants or otherwise to those projects that both have interest and ability to go from hey, I want to just build a thing cuz it seems cool to this has product market fit and actual potential to grow and generate

Eugene Leventhal: usage and volume on the scroll network. So again we're not saying that we have no interest in ever supporting a grant program. I mean I'm for those who just know my own personal research in the direction. I'm obviously very interested in figuring out how we can structure a grant program. We just don't want to rush to have it because we must have it and not think it through to the appropriate level of depth.

Eugene Leventhal: So yeah, in the coming weeks we will definitely be discussing this and we'll see if I think at least for the next few weeks probably just having at least one of the weekly calls focused on ecosystem growth makes sense but then if there's enough appetite and readiness for forming kind of an ecosystem growth committee again like figuring out the right org design and structuring things so that we can have a dedic ated group working on this especially those with some deeper expertise on ecosystem growth feels very top of mind. all right so just in interest of time let's jump to Tino and then I can stay over a little bit as well but I know we're going to be hitting the hour mark shortly so folks do have to jump. I just want to quickly say thank you to Carvvis for joining and presenting today and for everyone for hanging out.

Eugene Leventhal: But yeah, I'll still stay on to address the questions that come up. Yeah, Tino, please.

Tino SEEDGov: Thanks gene. I think as I said before, we have been very vocal about liquidity and for example we share a comment in the forum in the D5 grant program and also we have been sending some messages on telegram now and we think that at this point liquidity is one of the biggest

00:55:00

Tino SEEDGov: problems in onchain no I'm talking onchain liquidity on scroll no because when we were analyzing the idea of this D5 grant we said okay this is a good idea obviously we are not against bringing new people to build on scroll no but then we were imagine that you are building a dex and then as a user are you going to use that dex No, if you don't have enough liquidity, you are not going to get a good trades. And so what we want to say or what we want to highlight is that liquidity is basically the thing that you have to build before building the rest.

Tino SEEDGov: that's why we have been very vocal about it and we think that is maybe one of the biggest issues that we have at the moment and one of the things that is preventing maybe a scroll to continue its growing no because when we were talking about this table market at this point we found out that we only have 25 million US dollars on stable because snow. So again, we think that there are a lot of things that we can work in the next few weeks or the next month and especially liquidity. Then another thing that we were thinking is that okay you want to have more liquidity how you can do that or what is the best way to tackle this problem? No.

Tino SEEDGov: And we were thinking maybe we have some decks that are working here in a scroll. No, we know the text is ambient or sin swap for example. And maybe the thing that we are missing at the moment is kind of an alignment between the foundation and the DAO. And with an alignment I want to say something like for example look guys right now we have to work on liquidity. because we want the scroll to grow. So what is the plan? First we have to align ourselves in the So then we can do the actions that conduct us to the same path.

Tino SEEDGov: No, for example, if we want to have more liquidity in a scroll, maybe the best idea is not to use our own liquidity or the liquidity that it was in the existing fund to deploy it in a pool on Solana. maybe the best idea is to try to get closer to the decks that are working on scroll having someone I don't know someone from the foundation or whatever but someone who is closer to these decks that today are deployed on scroll and talk with them like saying guys what do you need I don't know the liquidity side do you need help in the marketing side do you need kind of

Tino SEEDGov: help in the development side.

Tino SEEDGov: I don't know. So that's kind of the things that we are thinking that can help the scroll in the next few months or weeks. No.

Eugene Leventhal: Yeah, thank you for sharing there.

Eugene Leventhal: And I'd be interested in Carvis or Chris if y'all are open to commenting on working with just any dexes and yeah how things are going in that

Eugene Leventhal: Action.

Carvas: I can share a little bit about my experience naturally I think there's two parts in that comment right the first part is acknowledging the direction and the need of getting more liquidity on shine than we have now I think everyone agrees with that part of the comment right the second part is how to address that I think on that one basically what I heard was we got to talk with the exes and ask what I think that's valid. I think that's something that happens every week, obviously the BDT team at Scroll chats with all of the projects on Scroll on a weekly basis.

Carvas: in the thing with liquidity is that at the end of the day it's a hard problem in the sense of there's specific parameters and specific math around it and it's not so much like a talking problem or a marketing problem etc. it's a little bit more like the things that can increase liquidity on chain for scroll is essentially doing LP deals. That's one it is finding big LPS inside of the ecosystem. So having the Dow become having the foundation become an LP stuff like that or having the projects become LPS or the last one is finding incentives that bring external LPS and there's not that much outside of these options, right?

01:00:00

Carvas: liquidity is probably the most competitive thing on shine and it is the thing that people pay for and fight for and I think this is good to open up the discussion between foundation and DA on the topic but one of the things that we think about a lot is should we be spending scroll tokens and should we be applying scroll tokens right now perhaps heading into a bare market or whatever, Even if it's just a temporary depression. And should we be diluting and inflating the scroll token right now to boot trap liquidity, which we can, It's just a matter of applying those incentives, or should we kind of hold off on that ammunition and apply it when we come into an uptrend, right?

Carvas: when we have probably better projects, better plays, a tighter ecosystem and then probably prices coming up as well because liquidity is reflexive, right? It's reflexive in the sense that if the ecosystem grows, token price should overall come up on average, which should then make the incentives more effective, which should then on a token increase the efficacy of those incentives, bring more liquidity, make the token more valuable, etc. which right now I think our take is that it's timing wise it's quite tough right now to initiate those programs and that we would probably be better off holding off and applying that into a better timing and into a better scenario.

Carvas: But I think it's good to open up the discussion On the question from Kil, if there's any V33 dexes on scroll, There's Nuri, which is one of the dexes that grew quite well last year when we were incentivizing. feel free to check Nuri out. They are a solid team. and they operate a bunch of dees across many chimes,

Carvas: but one of their guys is basically the guy that leads the train scroll.

Eugene Leventhal: Yeah, and…

Eugene Leventhal: I'll just bring up again, right, if there is appetite to structure some of these incentive or liquidity programs rather from the Dow perspective, that's definitely something that we can discuss in the coming weeks and, see what kind of proposal might form around that side. Daniel, please

Daniel Ospina: Yeah, it worries me that when we talk about incentive programs etc that seems to be based on the underlying assumption that liquidity is intrinsically valuable and I think at this maturity of web free we need to examine that assumption because it is very valuable essentially to have liquidity on trading pairs of the scroll token so that when people are trading the price doesn't go down and then other than that liquidity is not necessarily valuable unless there is a DeFi strategy because liquidity is super important for a very large number of DeFi projects but outside of DeFi liquidity has very little value and there is many use cases of blockchain that are not DeFi.

Daniel Ospina: of course, DeFi is the most established and perhaps to some degree, one could argue the safest. we know Dexes generate a lot of transaction fees. We know memecoins generate a lot of transaction fees, etc. But it's also one of the most competed. So, although is safe, it's really really expensive to compete here. If you want to attract quality builders and attract capital, etc., these things cost a lot of money. I'm seeing the amount of money that arbitrums spend on incentives and kind of makes me want to cry sometimes cuz I'm like you could have set up five VC funds with that money. And will those five VC funds return more than what you got out of those incentives? most definitely yes.

Daniel Ospina: that incentive program wasn't very well structured, but I guess what I'm arguing here is that if we pick other verticals, we might find more effective ways to find a positioning for scroll rather than betting on DeFi, which is the same strategy that everyone else is doing, and then we're really competing heads on with everyone else. now that being said and I think picking the vertical is of very special relevance to just kind of share a snippet of what we have from the research is what we're seeing for ecosystem development is primarily three key ingredients which is the raw materials that it takes to build quality projects which is talent, capital and market insights essentially real problems to solve.

01:05:00

Daniel Ospina: capital is a little bit vertical agnostic. some investors are very focused we only invest in infra, we only invest in DeFi etc. But a good number of investors are more generalist or web free generalist and they'll consider many different verticals. However, when it comes to talent and market insights, this is really not the same to do across verticals as opposed to picking a vertical and doubling down there. if we wanted to build let's say health tech projects and leverage all the blockchain properties and zero knowledge proofs around privacy and stuff like that to work with medical data and there is a bunch of possibilities there that are not really explored for example the sort of talent that would be needed would be health tech talent and not just generalist web free builders because it would take too long for them to learn about the industry.

Daniel Ospina: same thing could be said if we went to agri techch or collaboration tech etc being able to have these more vertically focused talent attraction strategies can make a huge difference and same thing for market insights. What we're seeing with market insights is a lot of ecosystems are wasting a lot of money on hackathons and programs where the large majority of people are figuring out what to build a little bit in the spot without any market research.

Daniel Ospina: essentially they don't have a good idea but no one else works in that industry deeply so no one else even knows that it's a bad idea or how to assess it and here from arbitum having these specialized grant programs is helping a little bit but those are still missing the sort of specialized market research and there is a fascinating case study that I'd encourage people to look into which is called charity entrepreneurship they're a web two organization that incubates charities coming from the effective altruism movement. So they're a sort of accelerator incubator thing. But the key thing is they have a large team of researchers that is finding high leverage opportunities and then suggesting these to entrepreneurs to go. Now they operate in the charity sector but this is the same model that a lot of the successful forprofit venture studios do.

Daniel Ospina: And that's kind of coming to reinforce our thesis on the sort of specialized talent attraction and specialized market research and a little bit less specialized and on the capital just quick note it doesn't necessarily need to be grants just having connection with investors and facilitating access to capital in different forms whether that's direct investment by the ecosystem or direct connection to external investors angels VCs etc. that also fulfills that need and potentially even better than the ecosystem itself deciding what to fund because again hard to have the vertical expertise to know…

Daniel Ospina: what to fund well and so there is a big risk of wasting Pizza.

Eugene Leventhal: Yeah, for sure.

Eugene Leventhal: I think that, to part of this, discussion, yeah, we'll just brainstorm and kind of see which verticals feel like they have exciting potential. I'm sure folks here have different, thoughts and opinions on different ones. And I think effectively having this be a core part of the next co-creation cycle and possibly doing that later in April or early in May so that we don't delay seems relevant and just kind of thinking through again we'll just bucket it as kind of like where are we headed with ecosystem growth but yeah definitely touching on what you're bringing up Daniel

Eugene Leventhal: yeah, and appreciate you surfacing that again. so yeah, just wanted to see I know we're already 15 minutes over and yeah, I appreciate everyone sticking around more. and yeah, I see a comment in chat. I mean yes I think the landscape is maturing and we are working with those groups that both already exist here as well as supporting new ones to emerge.

Eugene Leventhal: but I guess I don't know specifically what you mean in working beyond the project launch but yes I mean we are trying to develop deep partnerships across the DeFi landscape within being built on scroll so that we can continue working for the long run together. but yeah, just being respectful of everyone's time. Again, just a big thank you to Carvis for joining and sharing. always interesting to hear and appreciate your perspectives and really exciting to see where we're going on the lab side.

01:10:00

Eugene Leventhal: So yeah, this afternoon again if folks want to join for either the delegate training call or the discussion on the scroll open to founders club pipeline and what that means for local nodes. we'll have both of those calls in around four or so hours. and we'll be continuing this discussion on ecosystem growth very intently in the next few weeks. So yeah, thank you again to everyone and have a good rest of the day.

Tino SEEDGov: Bye everyone.

Fin Boothroyd: Thanks everyone.

Matt Haynes: Cheers. Bye.

Meeting ended after 01:11:28 👋

This editable transcript was computer generated and might contain errors. People can also change the text after it was created.