

The DAO magazine

To be successful The DAO relies on token holders making good decisions. *The DAO magazine*, a website presenting independent and well-researched reviews of proposals and contractors, will help investors do their due diligence and act to their best advantage. As a secondary aim, it will help to raise awareness about The DAO.

1. Overview

With The DAO receiving over 12 million Ether in funding, the project has become a hub for contractors seeking money. We must expect The DAO to be flooded by the sheer mass of proposals. While it is inherent in the concept that there is no central team checking proposals and contractors, this could result in several serious problems:

- 1) The DAO invests in bad projects. The intelligence of the swarm may fail, and ill-informed DAO-holders may invest in projects that burn Ether without bringing a return on investment.
- 2) The DAO invests in conmen. Anybody familiar with the cryptocurrency scene knows that the community has a tendency to be over-enthusiastic. This has resulted in the loss of millions of dollars worth of crypto to scammers. If The DAO makes its investment decisions the way the cryptocurrency community typically does – via semi-moderated forums and chats – it risks being the victim of a series of frauds. Compounding this, the uncertain legal status of The DAO makes it difficult to enforce legal claims against bad actors. It also risks overreacting and accusing honest contractors of malice to prevent itself being victim of scams.
- 3) The DAO doesn't invest at all due to its holders being swamped by a mass of complicated proposals they can't evaluate, or it misses good investment opportunities because its stakeholders don't understand a complicated and badly written, but essentially viable or even outstanding proposal. Holders will not lose money under these circumstances, but The DAO will simply have no effect at all and being a DAO token holder will be a confusing and frustrating experience.

These three worst case scenarios are unintended consequences of the remarkable concept of a decentralised company with many shareholders but no CEO and no analysts. The open structure allows anybody to offer a proposal, and every stakeholder to vote on it. For this model to be successful it needs well-informed stakeholders. We have already seen several proposals that are difficult to understand and can only be evaluated after in-depth research. What exactly is the plan? Is there a market for it? Are there competitors? What makes this approach more promising than others? What are the risks?

As there is no formal structure for proposals, those questions are hard or impossible to answer for an individual investor. This problem will naturally become more serious once the process of voting starts and we see more proposals.

The DAO magazine will be the independent source of information the stakeholders need. I will set up a website where I review proposals and contractors. Review of proposals and a follow-up with the contractors and projects to improve The DAO's decision-making is the main aim of *The DAO magazine*. As an experienced journalist working in the cryptocurrency sphere for years, I am able to deliver independent, well-researched and easy-to-understand reviews of proposals.

It would be possible to create such a magazine commercially, and not funded by The DAO itself. But this would open the door to incentives to advertise proposals or contractors or, in the worst case, to be bribed by them. Both would do serious harm to The DAO and Ethereum itself.

2. FAQ

Who am I?

Since my reviews are the chief product *The DAO magazine* will offer, some personal information is in order. I'm Christoph Bergmann, well-known in the German bitcoin community as the editor of bitcoinblog.de. I have worked as a journalist for nearly ten years, and I have been writing about cryptocurrencies for the last three years. I have a track record of being a trusted source of independent information and a writer with integrity. One of my strengths as a writer is making complex information easy to understand. (I even managed to help my readers understand the Lightning Network and The DAO.)

Since I am from Germany, I will write the articles German first and then translate them. I have a British writer to help edit the articles. If further translations are required (French, Chinese, Spanish, Russian) I also have contacts for these.

How much time will I invest in The DAO magazine?

I plan to work half-time for *The DAO magazine*. At first I may need more time, for example for setting up the website and so on. Later on there may be months in which there is less work to do, and some in which the workload is heavier. Due to this the project should be re-evaluated after six months. Besides my own costs, I have to pay writers/editors. If I write newsletters or work with further people, I'll require more time. All this depends on the success of the project and of The DAO itself.

Is there a return on investment?

The main purpose of *The DAO magazine* is to provide stakeholders with the information needed to make good decisions. I see three major returns:

- *The DAO magazine* prevents The DAO from funding bad projects. Since a magazine is not overly expensive (I guess EUR 35-60,000 per year), one bad project that is not funded can be considered a return.
- *The DAO magazine* improves the quality of investments. If we assume that The DAO invests EUR 10 million per year, an improvement of just 1% (EUR 100,000) can be considered a good ROI.
- *The DAO magazine* will raise awareness about The DAO as an investment, maybe raising the price of The DAO token.

On top of this The DAO will formally be the owner of the magazine. If there is ever a profit – for example, from adverts – this will flow back to The DAO. But this is not the main purpose and is not required for *The DAO magazine* to be a valuable investment for DAO token holders.

Is it just 'One guy reviewing proposals' or do you plan more services?

One guy reading proposals and writing about them is the basic idea. As an experienced journalist with an extensive background in digital currencies I can provide important information for DAO stakeholders. Depending on the funding of this proposal I have several ideas to expand the magazine. These include:

- Providing translations into other languages
- Explanations of how to use The DAO
- Creating a panel of experts to validate the proposals

- I would also like to send out a monthly newsletter and ‘alert mails’ for new votes.

However, for both sides – myself and The DAO – the best solution seems to start small, grow with demand and do what is most necessary at first: review DAO proposals.

3. Details

3.1 Plans

My plans and timeline are straightforward:

1. Set up a website.
2. Write about the proposals in chronological order.
3. Set up other services like a newsletter or a calendar for DAO votes.
4. Follow contractors’ projects, if funded.
5. Take optional opportunities like engaging more writers (if there is demand), look for experts to consult about the proposals, explain how to use The DAO, and more. I will be in constant contact with The DAO community to present my plans and to be open to your ideas.

3.2 Funding

How much money do I need? Since I don’t plan to do this as a full-time job and I currently see no demand for engaging more writers, I don’t need much funding. EUR 2,500 per month should be enough to cover time, insurance and taxes. A further EUR 500 per month should cover English writing/editing. So for a basic magazine I will need EUR 3,000 per month or EUR 36,000 per year.

If further translations are required I would need more funds. There will also be some minor investments like building the website (estimate: EUR 3-5,000).

Funding will be entirely in Ether but accounted in Euros. The contracts should be made for several months – perhaps six – and then re-evaluated. Ideally, payments will be made monthly via smart contracts and an API to pay the correct amount in Euro-equivalent. As an alternative – if no reliable API is available – payments should be made as a whole for a given period of time. In this case the contract will cover a shorter period of time, e.g. three months, and repeated regularly.