

Liberty Ventures Alliance Creates a New VC Model and a Diverse DAO Ecosystem



New York City, New York Mar 16, 2022 ([Issuewire.com](https://www.issuewire.com)) - In 2021, with the craze of DeFi (decentralised finance), NFT (non-fungible token) and metaverse, DAO (Distributed Autonomous Organisation), another derivative word, also came into the public view and is very likely to be the next big thing following DeFi, NFT, and [the metaverse](#).

Data shows that in H2 2021, VC funds accelerated their investments in DAOs. One of the largest venture DAO financing cases was Syndicate Protocol which announced the closing of a USD 20 million A-round financing in September 2021. This financing round was led by A16Z and joined by Coinbase Ventures and IDEO CoLab Ventures, among other investors.

On November 11, 2021, several crypto enthusiasts funded ConstitutionDAO to bid for an original copy of the United States Constitution to be auctioned at Sotheby's on November 18, 2021. Within one week leading to the auction, ConstitutionDAO completed its crowdfunding target by raising more than 46 million ETH. Although they lost the bid, PEOPLE, the governance token of ConstitutionDAO, was recognised by the crypto community. More importantly, ConstitutionDAO showed to the world its enormous potential as a decentralised autonomous organisation ([DAO](#)).

A DAO, or decentralised autonomous organisation, means that the organisation is not controlled by any

centralised individual or corporation, and all its decisions are jointly made by internal members in an open, transparent manner. Most DAOs would write the organisation rules into a smart contract before they are founded, and all their subsequent records will be kept on a decentralised ledger.

Now DAOs mostly use tokens, in light of the token economy, to reward their contributing members. Members who hold tokens may vote on the future development of their DAO. Given the ongoing evolution and wider application of DAOs, people increasingly regard DAOs as the core of Web 3.0 and even probably a mainstream way of working in the future.

Unlike what we could own by using Twitter and Facebook in the age of Web 2.0, you may contribute to and own part of every project you use in the age of Web 3.0, an economic model we call bounty economy. In the age of Web 2.0, companies, institutions or entities often adopted stock ownership structures, under which as participating users increased, profits would end up increasingly concentrated at the core level of organisations. In contrast, at DAOs in the age of [Web 3.0](#), communities distribute their governance token as the bounty for a particular task to motivate users to participate in community building. As blockchains become the core of communities in place of people, companies are owned by all contributors, and corporate value is distributed among members more equitably. Meanwhile, users awarded governance tokens will also have the right to vote, thus deciding the future direction of their community. In this process, individuals' contributions to their community are represented by the governance tokens they hold. The greater their contribution is, the greater the benefits and their voice are.

Decentralisation is the core of cryptocurrencies. Therefore, [DAOs](#) draw much attention from the blockchain field. In addition to DeFi projects, many game finance (GameFi), VC and NFT projects have turned to the operating mode of DAOs. Well-known community-based DAOs have emerged across the world. Liberty Ventures Alliance (LVA) is such a VC case in point.

Liberty Ventures Alliance, a DAO, is an alliance jointly sponsored and formed by a global community of "liberty" enthusiasts in the VC field. Many LVA members are entrepreneurs, developers, community operators, lawyers, designers, and economists who have been devoted to Web3 and cryptocurrencies for years. Current LVA members are primarily blockchain enthusiasts from Southeast Asia. Liberty Ventures Alliance focuses on investing in the cryptocurrency field, including metaverse infrastructure, Web3, Layer2, NFTs, GameFi and DAOs. In partnership with multiple global institutions, LVA studies, follows investments in, and deploys primary markets.

LVA's core philosophy is the pursuit of "liberty and equality", i.e. a huge community ecosystem of retail investors on the Internet who advocate freedom and love life coming together to learn and spread crypto culture. LVA members help each other pursue financial freedom and a free lifestyle. Such a DAO, formed by members with various ideas of liberty, is a community of and for the people.

LVA is committed to a 100% transparent, democratic, and flat organisational structure. Such a philosophy enables many LVA members to participate in and contribute to free communication, interactions and discussions. LVA conducts "data collection, analysis, decision-making and prediction" and even designs and constructs "data models" for investment categories and projects in many respects and from multiple dimensions, such as investment research, marketing, community operation, laws, education, policies, and trends. This also makes LVA more innovative in investment markets. LVA is committed to establishing an ideal mass VC platform for global investors of all types that addresses common VC problems retail investors often meet and provides a low-risk means of investment. LVA

enables investors, retail or institutional, to participate in VC projects, realize capital appreciation, improve their quality of life, and share better lifestyles.

According to an LVA member from Malaysia, in the usual process of communicating with DAO members to analyse the feasibility of potential deals, all members are 100% open to each other via social networking software, just like routine communication on work and life. Be it addressing tricky loopholes in smart contracts, designing token economy, or reposting from other members, LVA offers more networking links, empirical judgments, and knowledge sharing, in addition to collaboration within and outside the community. Sometimes, members would voluntarily mine more information for in-depth analysis. Sometimes, members would love joking, say, calling each other "liberty warrior". As liberty warriors mostly have practical experience in investment research on cryptocurrencies, such communication also enables members to select and invest in the right deals with more assurance.

With the launch and growth of DAO communities, to enable all community members to share both risks and benefits, LVA attaches special attention to collaborative governance via decentralised protocols and smart contracts. LVA plans to issue DAO tokens so that it can exercise governing power through governance tokens and the reward pool. LVA will also launch premium services for members to pledge DAO governance tokens in exchange for excess return on investment (ROI).

Meanwhile, LVA has its own plans, thoughts, and steps on three key areas of DAO governance tokens.

(1) Collective assets management: LVA plans to use part of the original capital as DAO governance tokens held under smart contracts and as assets for buying governance tokens. By doing so, as users and cumulative cash flows grow, the community can be managed like how corporate capital is managed. This protects privacy while enabling core community members to create an initial LP capital pool and enabling community management to play a bigger role through motivation, with a view to shaping a sound management mechanism and growth system.

(2) Risk control:

LVA holds, given the risky nature of the assets of a DAO, it is particularly important to properly manage the currency risk to ensure capital resources for future business activities. The treasuries of some DeFi and NFT DAOs have assets worth hundreds of millions and even billions of U.S. dollars that are used to fund development and audits, provide insurance covers for underlying protocols, and cover expenses in user growth and acquisitions. To meet these goals, DAOs have to effectively manage their treasury to accomplish pre-set indicators or KPIs. There are three key governance factors at play: a community that makes ends meet and promptly detects potential risks, a model for assessing the nature of risk, and a governance process for making necessary adjustments (particularly on the security). LVA's greatest advantage lies in the screening of quality projects by an entire community. Such an approach helps avoid or prevent the deficiencies and weaknesses of individual investment by leveraging the diverse membership, strong data analysis capacity, and practical, professional experiences of the community.

As for asset curation, for example, in the collection of NFTs, the DAO acts as an art or cultural curator, while LVA's governance tokens are used to vote on increasing or reducing curated assets. For example, DeFi DAOs often face such a problem. Although some mechanisms like Uniswap allow users to add assets freely to create a trading pool, most other mechanisms with leverages do not allow users to do so. Lending agreements like Aave and Compound, in particular, require governance means to decide on the increase or decrease of assets. This is because such mechanisms must factor in the security of agreements and prudently determine the parameters of each asset type, including margin rates, yield curves, and insurance rates. If a potential deal is good or if an investment strategy is right needs to be

voted by all community members following a risk analysis and deal grading. LVA gives certain rewards to effective pieces of advice to ensure its multi-party interaction advantage in assets curation, maximise potential profits, and minimise potential risks.

The brand-new VC model created by LVA is expected to make LVA one of the most disruptive and creative platforms. By leveraging a DAO to change the operational mode of the personal investment and pledging DAO tokens in exchange for premium services, such a VC model can meet the different needs of retail and institutional VC enthusiasts, while allowing Liberty Ventures Alliance to diversify its DAO ecosystem.

As noted in the book *Out of Control* by Kevin Kelly, like an organism, technology has an intrinsic tendency to evolve, in whatever environment, toward a certain direction inexorably. The emergence of DAOs ushers cryptocurrencies into a new stage. We have good reason to believe that, in terms of value creation, capture and distribution, Liberty Ventures Alliance, a typical venture DAO, will empower institutional and retail investors while offering a new possibility of mass collaboration in the future by diversifying its DAO ecosystem.

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