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# Beyond Gro DAO; winding down



Gro DAO

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*Gro DAO has decided to wind down and stop product development. This article provides information about what this means for the DAO's future, how to exit its products and how to redeem GRO tokens. Read about next steps and answers to key questions.*



After more than two years of highs and lows, Gro DAO has voted to unwind and stop developing its products. Gro DAO has struggled to build products with sustained usage in a tough market. As product pods were nearing the end of their latest grant periods, a third party was engaged to provide an objective analysis of strategic paths going forward. After a thorough assessment and DAO discussion, the DAO decided

on September 18th to proceed with an orderly unwind of itself and its product development.

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## What does this mean for Gro Protocol?

- Automated strategy harvests have ceased, halting further yield generation on the protocol. Accordingly, Vault and PWRD yields are now zero.
- As always, users retain the ability to withdraw assets directly from GVT, PWRD and Labs either directly from the smart contracts or through the supporting dApp interface/frontend at <https://app.gro.xyz/>.
- Because the dApp frontend (<https://app.gro.xyz/>) is hosted as a decentralised IPFS interface it should provide continuous easy access.
- Alternatively, users can interact directly with the smart contracts, for example, through a [block explorer like Etherscan](#). For Backup instructions on how to interact directly with the smart contracts, please refer to this [article](#).

## What does this mean for Gro DAO?

- The DAO as a token controlled collective has wound down; its remaining contributor pods are executing their responsibilities through the end of their grant periods.
- As per the latest [vote](#), the remaining contributor pods with active grant periods will support users of the DAO's products until January 3rd, 2024.

## What happens to the DAO treasury?

- The remaining DAO treasury has been consolidated into USDC on Compound, to be redeemed by DAO members (GRO token holders) via a redemption smart contract, as detailed below.

## What happens to active vesting positions?

- Community vesting GRO positions have been accelerated to 100%, thus reducing their vesting period for immediate release. Accordingly, community members have full access to all their GRO tokens (which will need to be withdrawn from the vesting contract at <https://app.gro.xyz>) ahead of GRO redemption as detailed below.
- Accelerated vesting does NOT apply to the vesting GRO of initial investors and founding team, who will keep the 3-year vesting schedule decided by the DAO, ensuring only vested (unlocked) tokens are available to them.
- Vesting PWRD airdrop continues to vest as per its immutable vesting schedule and will become fully vested by May 31st, 2024. It is continuously claimable from <https://app.gro.xyz>.

## How does the GRO collection and redemption process work?

- The GRO Collection and Redemption process will use a ‘redemption contract’ — a trustless and peer-reviewed smart contract accessible through the dApp interface (<https://app.gro.xyz>).
- DAO members (GRO token holders) will have a **4-week ‘collection period’ running from September 27th to October 25th, 2023**, to deposit their GRO into the treasury redemption contract.
- After this period, the treasury redemption contract will allow DAO members (GRO token holders) who deposited their GRO during the 4-week collection period to claim their share of the DAO treasury. The web interface for the treasury redemption contract will be actively supported for 3 months and then kept indefinitely on IPFS.
- Each DAO member’s share of the treasury will equal their deposited GRO as a fraction of the total GRO deposited into the treasury redemption contract.
- It is important to note that only GRO deposited during the collection period will be eligible to claim a share of the treasury.

- It is also important to note that there is another parallel redemption contract for DAO members to claim a share of the (<1%) of the treasury that is locked in 88,137 AlloyX DURA tokens. Refer to the detailed [FAQ](#) section below to understand how DAO members can also access this treasury allocation.

## FAQs

### **What happens to Gro protocol strategies and harvests?**

The protocol and its strategies are deployed immutably on the Ethereum network and will always be there. However, the automated harvesting of its strategies has been halted, so the protocol is no longer generating yield. This also means that any remaining assets inside the protocol are no longer exposed to any protocol risks other than that of itself.

### **What will happen to Gro protocol after strategy harvests have been stopped and the protocol is put into withdraw-only mode?**

All Gro protocol source code will remain open-source for the benefit of the DeFi community. G<sup>2</sup> (the latest version of the protocol) is a battle-tested, multiple times audited, risk and yield tranching protocol that can wrap any EIP4626 token.

### **How do I withdraw assets from GVT, PWRD or Labs?**

Withdrawals from any of the DAO's products continues to be possible from <https://app.gro.xyz>. Direct interaction with the smart contracts will always be possible, for instance, via a block explorer like <https://etherscan.io/>.

### **When can I withdraw PWRD rewards that are still vesting?**

PWRD airdrop is also claimable on <https://app.gro.xyz>. It continues to vest as before since the contract is deployed immutably. It will be fully vested for everyone on May 31st, 2024.

### **How and when can I access my assets on Argent (ZkSync and/or Ethereum)?**

Argent users who hold Gro assets (GVT) on zkSync can directly withdraw their assets from the Argent dApp. Users can also bridge their GVT assets from zkSync back to mainnet using the bridge on <https://lite.zksync.io/>. Connect to the bridge from within Argent using WalletConnect.

Argent users who have Gro assets on Ethereum can directly withdraw them from the Gro Protocol dApp interface (<https://app.gro.xyz>) using WalletConnect (or by sending these assets to a Metamask wallet address controlled by the user), or via a block explorer.

### **How is the Gro DAO treasury being consolidated?**

The majority of treasury assets were withdrawn from all protocols and consolidated into USDC on Compound in October 2023. The last of any outstanding debts were recovered from partners/pods and consolidated into USDC on Compound in December 2023. The ~1% of the treasury that is locked in AlloyX is redeemable from a separate smart contract (as detailed [below](#)).

### **When can I deposit into the treasury redemption contract? What is the collection period?**

The GRO collection period commenced on September 27th, 2023, and will run until October 25th, 2023. This is to ensure that all active DAO members (GRO token holders) have enough time to deposit their GRO for redemption.

### **What happens if I miss the collection period?**

DAO members who do not deposit their GRO within the collection period will be unable to claim a share of the treasury.

### **How long will the treasury redemption contract be available for?**

The treasury redemption smart contract will be accessible indefinitely, so that DAO members who deposited GRO during the 4-week collection period can claim their share whenever. A simple web interface (<https://app.gro.xyz>) for the treasury redemption contract will be actively supported for 3 months, and then kept live on IPFS for the foreseeable future.

### **What is the treasury redemption contract and what network will it be on?**

A smart contract on Ethereum mainnet where DAO members can deposit GRO and have a claim on a share of the treasury distribution.

### **When can I claim my share of the treasury?**

Any time after 25th Oct 16:33:59 GMT+0.

### **How much USDC will I receive per GRO?**

The final redemption value per GRO will depend on the number of GRO deposited into the treasury redemption contract and the final value of treasury assets. USDC in the treasury redemption contract continues to slowly accrue yield in Compound until the day it is claimed.

### **Do I need to register my wallet for a whitelist or do KYC before claiming from the treasury redemption contract?**

No, DAO members only need to deposit GRO into the treasury redemption contract during the 4-week collection period, and claim their share of the treasury after this period when funds are available.

### **As the treasury was only fully consolidated in December 2023, does this mean I need to claim twice?**

DAO members can wait and claim until after all treasury assets have been consolidated (which occurred in December 2023). Whether a DAO member claims once or more than once will not affect their total share. So DAO members who made their initial claim before December 2023, for example, can make an additional claim for the rest of their share. More claims will, however, cost more network fees as each transaction incurs Ethereum network fees.

### **After I claim my share of the treasury, what happens to my GRO? Do I need to do anything else?**

Any GRO deposited into the treasury redemption contract will remain there forever and DAO members will not need to do anything else.

### **What happens if there is still “dead capital” in the treasury redemption contract after a long time passes?**

Nothing. It will stay there until whoever has a claim on it claims it.

*The following questions pertain to the portion of the DAO’s treasury that is locked in AlloyX.*

### **What are AlloyX DURA tokens?**

AlloyX DURA are tokenised, illiquid, under-collateralised loans. As these loans are repaid over time, the value of the DURA Tokens appreciates. The loans are due to be fully paid back throughout 2025 when the principal is fully unlocked. This means that DURA Tokens cannot be readily sold or liquidated before the loans reach their maturity.

### **How much of the DAO treasury is in AlloyX DURA tokens?**

A small portion (<1%) of Gro DAO’s treasury is locked (as it hasn’t yet reached maturity) in 88,137 AlloyX DURA tokens until 2025. This portion originated from a 100,000 USDC deposit in October, 2022 — which is now estimated to be worth \$117,346 (on October 11th, 2023).

### **How does GRO collection and redemption process for AlloyX DURA tokens work?**

Same as the DAO treasury redemption contract, to redeem a share of the treasury’s AlloyX DURA allocation, DAO members can deposit GRO in a separate AlloyX DURA redemption contract — another trustless and peer-reviewed smart contract accessible through the dApp interface (<https://app.gro.xyz>). DAO members can deposit GRO until October 25th, 2023. After the collection period, DURA tokens will be allocated based on each depositors prorated share of deposited GRO tokens. Leading up until 2025, these DAO members may have the opportunity to redeem DURA tokens for USDC via the AlloyX interface if they pass KYC.

### **Why is the process to redeem AlloyX DURA tokens different to redeeming the rest of the DAO treasury assets?**

Because AlloyX DURA tokens represent illiquid under-collateralised loans, the DAO cannot withdraw the deposited USDC now. Therefore a separate redemption contract has been deployed where DAO members can deposit their GRO in exchange directly for DURA tokens. DAO members will be able to claim their share of DURA tokens based on their prorated share of deposited GRO tokens. GRO deposits for DURA are handled separately from deposits for USDC redemption.

### **When can I deposit into the AlloyX DURA redemption contract? What is the collection period?**

The GRO for DURA collection will remain open until the October 25th 2023 (parallel to the GRO for USDC collection period).

Similar to the treasury redemption contract, DAO members who do not deposit their GRO within the collection period will be unable to claim a share of this part of the treasury.

### **How long will the AlloyX DURA redemption contract be available for?**

The AlloyX DURA redemption smart contract will be accessible indefinitely, so that DAO members (GRO token holders) who deposited GRO during the collection period can claim their share whenever. A simple web interface (<https://app.gro.xyz>) for the redemption contract will be actively supported for 3 months, and then kept live on IPFS for the foreseeable future. However, the DURA tokens conversion into USDC is fully under the control of AlloyX and can only be done with AlloyX's smart contracts.

### **What is the AlloyX DURA redemption contract and what network will it be on?**

A smart contract on Ethereum mainnet where DAO members can deposit GRO and have a claim on a share of the treasury's AlloyX DURA token distribution.

### **When can I claim my share of the AlloyX DURA treasury allocation?**

Those who deposit can claim DURA tokens any time after 25th Oct 16:33:59 GMT+0. However, DURA tokens may only be redeemed from the AlloyX dApp into USDC once interest payments are made and/or when they have reached maturity (between November 10th, 2024 and February 25th, 2025).

### **How much DURA will I receive per GRO?**

The final DURA per GRO redemption rate will depend on the number of GRO deposited into the AlloyX DURA redemption contract before the deadline.

### **Can I distribute all my GRO into both redemption contracts?**

No. Because the redemption contracts for AlloyX DURA tokens and the redemption contract for the rest of the DAO treasury, are separate, DAO members (GRO token holders) must decide which assets they want to redeem their GRO for. Each deposited GRO token only grants a share of the assets in the redemption contract it was deposited to. For example, if a GRO holder owns 100 GRO tokens, they can allocate 50 GRO to the treasury (USDC) redemption contract and 50 GRO to the AlloyX DURA redemption contract in any ratio between (0 and 100). The amount of AlloyX DURA tokens will be proportionate to their share of total GRO deposited into that redemption contract; in the exact same way how their share of USDC will be proportionate to their share of GRO deposited into the treasury (USDC) redemption contract.

### **Do I need to register my wallet for a whitelist or do KYC before claiming from the AlloyX DURA redemption contract?**

DAO members do not need to KYC when depositing GRO into the AlloyX DURA redemption contract or redeeming GRO for DURA. However, KYC will be required if and when DAO members want to withdraw USDC from DURA through the AlloyX dApp. These are the terms set by AlloyX:

- Completion of the KYC process through Persona, which is a part of the Goldfinch UI.
- Obtain a Goldfinch UID from [here](#).
- Must be a non-US citizen.

### **What should I consider when deciding whether to deposit any GRO into the AlloyX redemption contract?**

*Disclaimer: GRO token holders are urged to consider the following risks carefully and conduct due diligence before deciding to engage in the redemption process for AlloyX DURA Tokens. This is not comprehensive advice by any means.*

DURA tokens are issued by AlloyX (details [here](#)). In order to redeem DURA tokens for USDC, several conditions are important to consider. AlloyX requires users to complete a Know Your Customer (KYC) process to redeem their DURA tokens. AlloyX does not allow US citizens to redeem DURA. DURA tokens cannot be redeemed immediately. Interest payments are available occasionally on a first-claim-first-serve basis. AlloyX estimates that the principal will be fully unlocked



throughout 2025. There are various other risks associated with undercollateralized loans backing the DURA tokens:

- **Default Risk:** There's the risk of non-payment or default from the original borrowers, whose repayments back the DURA Tokens.
- **Governance Risk:** Any changes in the governance of the tokens can affect the value or operations related to DURA.
- **Smart Contract Risk:** As with many blockchain-based initiatives, there's the inherent risk of vulnerabilities or flaws in the smart contracts governing the tokens.
- **Vault Token Risks:** The native vault tokens associated with the fund may also carry inherent risks.

Furthermore, because the total value of AlloyX DURA is only a fraction of the value of what is in the main treasury redemption contract, depending on the amount of GRO deposited in both contracts, DAO members may receive less DURA per GRO (from the AlloyX DURA redemption contract) as they would USDC per GRO (from the treasury redemption contract).

### **What if I have already deposited all my GRO into the treasury redemption contract, but also want a share of the AlloyX assets?**

GRO already deposited into the existing redemption contract can be fully or partially withdrawn and deposited into the DURA redemption contract.

### **Further Questions?**

*Please raise any further questions on the [Gro DAO Discord server](#).*

### **Thank You!**

To all Gromies, OGs, G-Force members, and Pod contributors — your dedication and effort have been the heartbeat of Gro, its decentralised governance and crowd-sourced development. This isn't the end; it's a new beginning. The lessons we've learned and the challenges we've overcome are the foundation for future innovations. Here's to taking what we've built and learned, and using it to blaze new trails in the broader web3 universe, making DeFi accessible for all. Onward and upward; the best is yet to come beyond Gro.

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All software developed by Gro DAO are tools that can be used to access and/or operate various DeFi protocols. Accordingly, users of Gro DAO products continue to control their assets and decide how to manage them with the help of these tools.



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