Nouns DAO

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Introduction

In the ever-evolving landscape of digital art and non-fungible tokens, a remarkable venture known as Nouns DAO has emerged as a beacon of innovation and decentralized creativity. While pixel art NFTs have a storied history, exemplified by the iconic CryptoPunks collection, Nouns DAO stands out for its inventive distribution approach and open-source intellectual property (IP), leading to its distinct pixelated avatars making appearances on a spectrum as diverse as beer cans and cinematic screens.

The Birth of Nouns

The first Nouns made its appearance in the NFT market on August 8, 2021. Unlike many NFT projects that flood the market with numerous tokens at once, Nouns NFTs are auctioned off individually, with one new Noun entering the market every 24 hours. This distinct approach highlights the project's commitment to rarity and exclusivity. There are 891 Nouns as of writing and the very limited supply is one of the reasons why the floor price stands above 33 ETH.

The Nouns DAO operates as a decentralized autonomous organization by using the treasury it has accumulated to fund various initiatives, promoting public goods and interactions within the on-chain community.

The Nouns Foundation

Shortly after launch, it became clear that the idea had 'product-market-fit' and the Nounders collectively agreed that it would not be feasible or safe to have an on-chain organization at Nouns' projected scale without a real world counterpart to address potential legal and regulatory concerns. Additionally, it would be unlikely that Nouns would succeed in building "the world's largest open source brand" without a legal entity to interface with non-crypto-native organizations. With the assistance of legal counsel and global tax advisors, the Nounders set out to create the Nouns Foundation

The Nouns Foundation was established as a Cayman Foundation Company on Dec 31, 2021.

It's important to know that as a Cayman Foundation company, the Nouns Foundation has some special constraints:

- The Nouns Foundation is not meant to accumulate wealth. Any amount sent to the foundation will be spent for the benefit of the ecosystem. Funds that are sent to the Nouns Foundation can't be sent back to the DAO.

- In case of dissolution, the Foundation will have a named beneficiary that will receive its assets. This named beneficiary has not yet been selected but will be a charitable organization that accepts cryptocurrency.

Key features and aspects of Nouns DAO

Distribution and Auctions: Unlike other NFT projects with limited supply, Nouns NFTs are generated randomly every 24 hours and put up for auction. Once an auction closes, a new unique Noun is minted, and the process repeats. The proceeds from these auctions are sent directly to the Nouns DAO Treasury. In a commitment to sustain the Nouns DAO ecosystem, the Nounders elected to receive compensation in the form of Nouns. This compensation mechanism involves routing every tenth Noun generated within the project's initial 5 years to a Nounder's multisig wallet. These vested Nouns are subsequently distributed among the founding members.

Nouns DAO Governance: Nouns owners are part of the Nouns DAO and have the ability to participate in the governance of the project. Members of the DAO can vote on proposals funded by the Treasury ($48.3M as of writing), helping shape the direction of the project.

Decentralized Decision-Making: The Nouns DAO uses a Compound Governance-like model for voting on proposals. Each Noun NFT owner has one vote, and while votes are non-transferrable, owners can delegate their votes to others. Approved proposals are automatically executed as blockchain transactions.

Funding Public Goods: The Nouns DAO uses its accumulated funds to support various initiatives, from charity donations to creating new projects such as documentaries, commercial partnerships, and consumable brands. These initiatives aim to increase brand awareness and community engagement.

Open Source and Licensing: Nouns operates under an open-source Creative Commons CC0 license, allowing anyone to use the Nouns name and imagery to create derivative works and projects, even if they don't own a Nouns NFT. However, the Nouns DAO governs the inclusion of new traits in the collection.

Community Engagement: Discussions and proposals for Nouns take place on platforms like Discord and Discourse. Members of the community can submit proposals and vote on them, creating a collaborative environment for the project's growth.

Foundation Oversight: While Nouns DAO is decentralized, there's a foundation called the Nouns Foundation that holds certain powers, such as vetoing proposals that might pose legal or existential risks. This foundation's role adds an element of oversight to the decentralized governance model.

The Role of Nounders and Nouns DAO Proposals

The creators of Nouns NFTs, the Nounders, initiated the project. These ten individuals, including well-known figures in the NFT world such as @gremplin, @punk4156, and Vine co-founder Dom Hofmann (@dhof), share control of the multi-sig wallet that receives a portion of the Noun releases.

The Nouns DAO operates without a predefined roadmap, relying on proposals put forth by its members. These proposals cover a wide spectrum, from creating Nouns-branded products to charitable contributions. There are a total of 361 proposals that have been introduced by the Nouns DAO at the time of writing, some resulting in the Nouns Mobile App, partnerships with esports teams, and artistic ventures.

Some of the executed proposal include:

Proposal 1   Donate 5 ETH each to 6 Charities
Proposal 6   Nouns iOS and Apple Watch app
Proposal 11   Nouns Comic
Proposal 12   Perpetual Glasses to Kids In Need
Proposal 20   Nouns Stories
Proposal 26-41-197   Nouns 3D-printed fashion collection by DANIT ([showcase](#))
Proposal 33   Feature Noun glasses in a [Super Bowl commercial](#) and on real beverage cans
Proposal 39   Fund Nouns Foundation setup ([Cayman Foundation Company](#))
Proposal 40   40 TSP x Nouns: Skateboard Design and Giveaway to kids in need
Proposal 42   100 ETH for Emergency Humanitarian Assistance in Ukraine with UNICEF
Proposal 73   Nouns Around Town - a Documentary Film Proposal of our weird journey of getting the Nouns featured in the Rose Parade
Proposal 84   Nouns Coffee
Proposal 143   nounish ⌐◨-◧ – Telling the stories of Nouns DAO through videos
Proposal 173   Sail Nouns in the New York Harbor for NFT.NYC 2023
Proposal 182   Nouns AR Filters
Proposal 190   This is Nouns — The First Edition minted by Nouns
Proposal 206   Nouns On The Ground 2023 ⌐◨-◧
Proposal 208   NOUNS WHISKY ⌐◨-◧
Proposal 325   ⌐◨-◧ x Pudgy Penguins
Proposal 237   Nountown - Animated Short Film Droposal [Atrium] - [short film](#)
Proposal 245-317   [Nouns: A Movie](#)
Proposal 332   Stake 10,000 ETH to Lido
Proposal 356   Nouns DAO V3 upgrade, including [Nouns Fork](#)

You can find the full list [here](#) and a fun video to celebrate [100 Nounish Things](#).

Nouns Fork

One of the recently approved proposals (#356) centered on the concept of the "Nouns Fork". Similar in nature to cryptocurrency forks, this serves as a safeguard mechanism for DAOs enabling token holders to collectively transition into a new instance of the protocol. This process, initiated by a token quorum of 20%, involves two distinct phases: the "Escrow" phase, where token holders commit their tokens, and the subsequent "Forking" phase, which activates the transition.

Following the fork, a new feature was introduced to allow for what's referred to as a "vanilla ragequit." This alteration removes the 20% threshold requirement, granting individuals the ability to exit the DAO on their own. This addition aligns with the principle of voluntary participation in the DAO, aiming to prevent the dominance of the majority over the minority.

This development had implications also on the floor price, as people might join the DAO solely to exit shortly after with their share of the treasury (with the value of a single "noun" token being approximately 35 ETH as of writing).

Brand Overview

Brand name: Nouns

Description: Nouns are an experimental attempt to improve the formation of on-chain avatar communities. While projects such as CryptoPunks have attempted to bootstrap digital community and identity, Nouns attempt to bootstrap identity, community, governance, and a treasury that can be used by the community.

Sector: Mixed Media

Website: https://nouns.wtf/

Discord: While the main DIscord has been closed there are several communities built around Nouns. https://nouns.center/groups

Twitter: https://twitter.com/nounsdao

Followers: 81K

Nouns DAO

Collection: Nouns
Creator: Nouns DAO
Blockchain: Ethereum (ETH)
Project info: Nouns is a generative non-fungible token project on the Ethereum blockchain. Nouns are 32x32 pixel characters based on people, places, and things. One noun is generated every day.

Sector: Mixed Media
Category: PFP
Type: ERC-721
Total Supply: No max supply (currently 827, "One Noun, every day, forever.")
Created: Aug 8, 2021
Method: Auction
Mint Price: Highest bid
Creator fee: 0%

Utilities: Nouns NFTs offer more than just visual appeal – they provide membership and a governance vote within the Nouns DAO.
Roadmap: There is no roadmap as the trajectory of the DAO is shaped through the submission of vote proposals by its noun holders.
Marketplace: https://opensea.io/collection/nouns
Contract: https://etherscan.io/address/0x9c8ff314c9bc7f6e59a9d9225fb22946427edc03
Website: https://nouns.wtf/

Related Collections

Collection: Lil Nouns

Created: May 2022

Bio: Embedded within the Nouns DAO, 'Lil Nouns' constitutes a distinctive project, featuring a collection of endearing and playful Nouns at a more accessible price point. Spearheaded by 0xsvg and adelidusiam, this endeavor aims to democratize Noun ownership.

Diverging from traditional Nouns, 'Lil Nouns' sport smaller dimensions of 16×16 pixels, characterized by charming and distinctive designs evoking cuteness. Generated every 15 minutes, these Nouns cater to a broader audience. Artists can contribute to the collection by submitting their designs to the Nouns. (https://lilnouns.wtf/)

Market Overview

Note: The data below represents a snapshot of the market taken on 30th Aug, 2023
Source: https://nftgo.io/collection/nouns/overview
Volume: 17,530 ETH
Total Supply: 829 (as of writing)
Floor price: 34 ETH
Listed: 3.14% (26)
Owners: 46.56% (386)

Volume analysis and price movements:

On the 8th of August 2021, the first Noun was sold at auction for the exorbitant price of 613.37 ETH (about $1.9M at the time).

It is important to understand that the allure of many collections rests upon their status as coveted collectibles, often attributed to their pioneering nature or being among the first to embark on a new concept. For Nouns it's twofold since they were the first to introduce the mechanism of a new Noun every day forever and because of their approach to randomized generative. The scarcity of the collection is another reason for the high floor price (it would take 27 years to reach 10,000 NFTs, which other collections get on day 1).

Notably, Nouns serve as asset-backed NFTs, with their book value intrinsically linked to their stake in the DAO's treasury (presently valuing each Noun at approximately 35 ETH).

Given the substantial initial entry point, several groups, such as SharkDAO, emerged to enable participation in the project. Additional solutions, like PartyDAO, facilitated collective NFT acquisitions, including Nouns, by pooling resources.

Another avenue to participate in Nouns lies through the Lil Nouns DAO, which works to create a new layer within the Nouns ecosystem. To democratize Nouns access, Lil Nouns are minted every 15 minutes, resulting in a more accessible price point. Currently, their treasury holds 16 Nouns and 220 ETH.
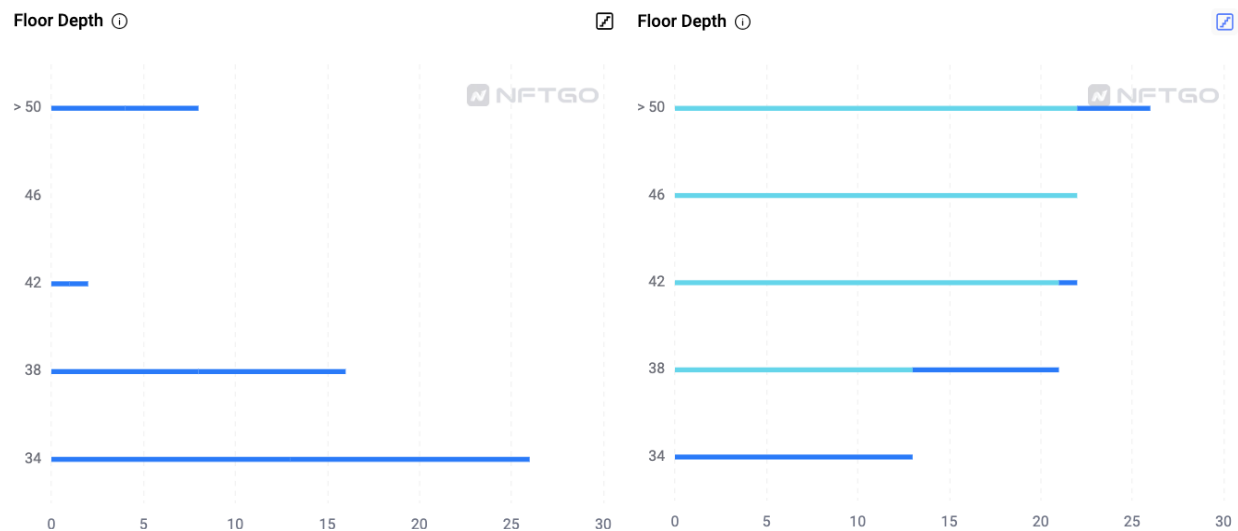
These innovative approaches collectively infused more liquidity into Nouns, and by July 2022, the floor price surged to 100 ETH. Despite that, the worsening of the market conditions caused the floor price to retreat by year-end, converging closer to their liquidation value, hovering within the 30-40 ETH range.

Significantly, recent days have witnessed a narrowing gap between the floor price and liquidation value, attributed to the Nouns Fork which enables Nouns holders to individually exit the DAO while securing their corresponding underlying value, facilitated by the introduction of the Vanilla Ragequit in the updated contract.
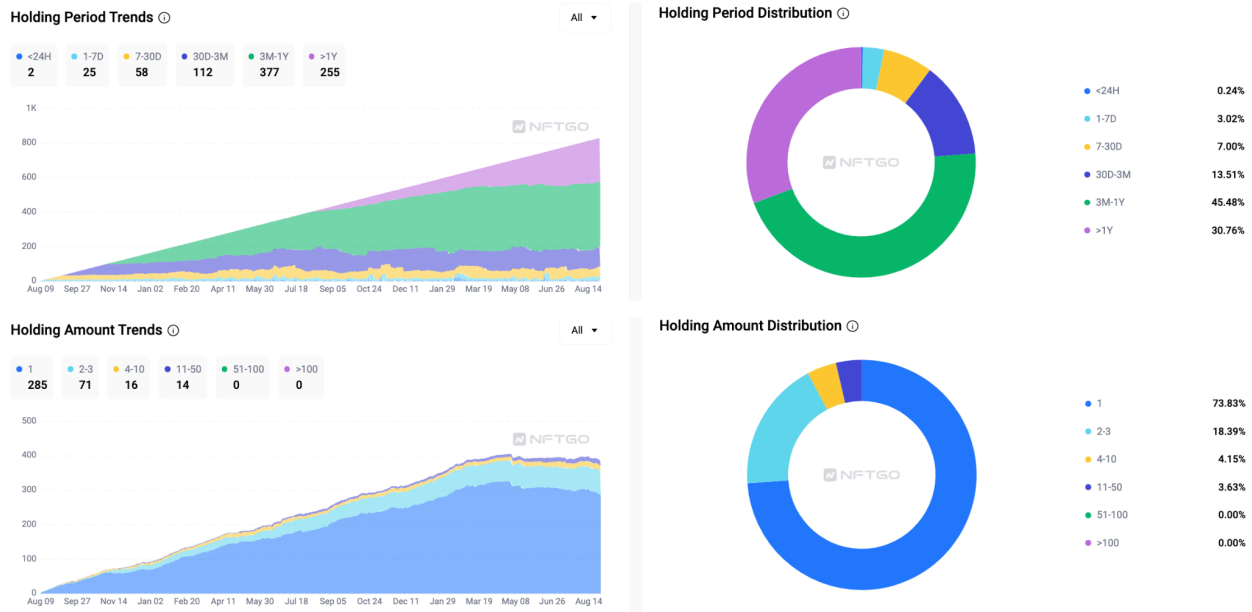
Floor depth analysis:

The total number of Nouns listed is 26/829 and only 2.53% are listed at floor (within 15% from collection floor price, to indicate a holder intention to sell). Above the floor price we can observe about half of the listings (13) from 34 up to 38 ETH. Here we can find the intensive range, which has 21 listings, between 34 and 42 ETH. Above 42 the listings decrease rapidly up to the 50 ETH mark. About 15% of the listings are listed above that price.

Holding distribution and top holders:

The constant increase of distribution over the period immediately catches the eye. This is due to the mechanism of perpetual mint of a Noun each day. Notably, approximately one-third of the holders have maintained their NFTs for over a year, underscoring the presence of a dedicated and resilient community backing the project. A substantial proportion of holders (~45%) have remained engaged for nearly a full year. As for the rest, discerning between those who intend long-term retention and those who might engage in trading becomes challenging due to the mentioned minting mechanism.

Holding Period Trends ⓘ   All ▾

● <24H	● 1-7D	● 7-30D	● 30D-3M	● 3M-1Y	● >1Y
2	25	58	112	377	255

Holding Period Distribution ⓘ

● <24H	0.24%
● 1-7D	3.02%
● 7-30D	7.00%
● 30D-3M	13.51%
● 3M-1Y	45.48%
● >1Y	30.76%

Holding Amount Trends ⓘ   All ▾

● 1	● 2-3	● 4-10	● 11-50	● 51-100	● >100
285	71	16	14	0	0

Holding Amount Distribution ⓘ

● 1	73.83%
● 2-3	18.39%
● 4-10	4.15%
● 11-50	3.63%
● 51-100	0.00%
● >100	0.00%

Regarding the amount distribution, as usual the vast majority of the holders have 1 NFT each while the number of holders with a large number of NFTs (10+) is below 4%. About 20% of holders have around 2-3 NFTs which is a good sign of conviction in the project and a good portion (~8%) holds between 4-50 NFTs.

Top Holders ⓘ   Contract ⬤   Top Holders Whales Blue Chip Holders

#	Address	NFTs ⓘ	Estimated Value ⓘ	Avg Cost ⓘ	PnL ⓘ	Unrealized Profit ⓘ	Realized Profit ⓘ	Last Deal
01	🟦 nounders.eth	44 / 5.31%	◈ 1.5K	◈ 0	◈ 1.5K	◈ 1.5K	◈ 0	–
02	🏴🔵 0x5606B4	32 / 3.86%	◈ 1.09K	◈ 16.41	◈ 1.09K	◈ 562.82	◈ 525.27	Jul 19, 2023
03	🏴🔵 0xFa4FC4	28 / 3.38%	◈ 952	◈ 21.05	◈ 390.23	◈ 362.66	◈ 27.57	Aug 27, 2023
04	🏴🔵 poap.eth	24 / 2.90%	◈ 816	◈ 4.65	◈ 704.5	◈ 704.5	◈ 0	May 21, 2023
05	🏴🔵 0x7dE92c	24 / 2.90%	◈ 816	◈ 22.14	◈ 320.49	◈ 284.63	◈ 35.86	Aug 14, 2023
06	🟦 zora.eth	20 / 2.41%	◈ 680	◈ 28.33	◈ 113.46	◈ 113.46	◈ 0	–
07	🏴🔵 0x4Bd864	19 / 2.29%	◈ 646	◈ 10.18	◈ 452.55	◈ 452.55	◈ 0	–
08	🏴🔵 cold.4156.eth	16 / 1.93%	◈ 544	◈ 30.64	◈ 53.81	◈ 53.81	◈ 0	Jul 14, 2022
09	🟦 lilnouns.eth	16 / 1.93%	◈ 544	◈ 10.31	◈ 379.1	◈ 379.1	◈ 0	–
10	🔵 0x520F97	16 / 1.93%	◈ 544	◈ 10.03	◈ 383.49	◈ 383.49	◈ 0	Jun 23, 2023

Clearly, none of the holders have amassed 100 NFTs, considering the elevated price point. Leading the roster is the multisig of the Nounders, beneficiaries of a Noun every tenth iteration as part of their compensation. Occupying the ninth slot is the treasury of the Lil Nouns DAO.

Community Statistics

Source:

Unfortunately no information is available on Nouns DAO collection.

Team

The brains behind Nouns, dubbed 'Nounders,' comprise a consortium of ten innovators, creators, and pioneers in the NFT space. This group conceived the Nouns concept and the Nouns DAO. Among the notable Nounders are @gremplin, the founder of CrypToadz; Dom Hofmann, @dhof, co-founder of Vine; @TimpersHD, founder of Chimpers; and Punk4156. The collective also includes @cryptoseneca, @eboyarts, @punk4464, solimander, @devcarrot and @lastpunk9999.

These 10 founders share control of the multi-sig wallet that receives every tenth Noun released for the first five years.

Doxxing: Partially Doxxed

Nounders:	https://twitter.com/cryptoseneca
	Followers: 25.9K
Nounders:	https://twitter.com/gremplin
	Followers: 71.7K
Nounders:	https://twitter.com/punk4156
	Followers: 149.1K
Nounders:	https://twitter.com/eBoyArts
	Followers: 15.1K
Nounders:	https://twitter.com/punk4464
	Followers: 6,636K
Nounders:	https://twitter.com/dhof
	Followers: 150.9K
Nounders:	https://twitter.com/carrot_init
	Followers: 1,864
Nounders:	https://twitter.com/TimpersHD
	Followers: 51.1K
Nounders:	https://twitter.com/lastpunk9999
	Followers: 4,145

Beside the founding team there are Nouncillors, volunteers whose main role is discussing and voting on Nouns DAO proposals and the The Nouns Foundation board consisting of six members: Vapeape (nounder, @punk4464 on Twitter), 4156 (nounder, @punk4156 on Twitter), Noun 40 (nouner, @noun40__ on Twitter), Chris Padovano (nouner, chris4000 on Telegram), Dor Levi (independent), Campbell Law (independent).

Tokenomics

Description: Not relevant at this time

Name: -

Contract: -

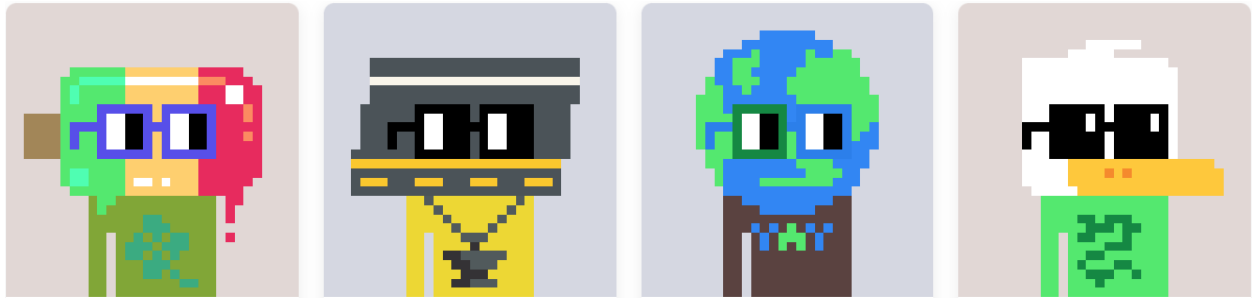**Overview:** -

Market cap: -

Price: -

Website: -

Twitter: -

Art / Licenses & Intellectual Property

Art:

Nouns are unique and algorithmically generated pixel avatars, reminiscent of the iconic CryptoPunks, each stored as a 32-pixel by 32-pixel image on the Ethereum blockchain (this approach eliminates the need for external storage solutions like IPFS and utilizes a form of lossless compression known as custom run-length encoding (RLE)).

Nouns avatars are composed of different elements such as backgrounds, bodies, accessories, heads, and signature Nouns glasses. The composition of Nouns traits is entirely randomized, featuring 234 distinct heads, 137 accessories, 30 bodies, 21 glasses, and 2 backgrounds. This randomness ensures that each Noun is unique and equally rare.

You can have some fun and generate your own Nouns in the Nouns Playground. What you generate will not actually be available for investment, but it's a neat way to play around and explore the technology of NFT generative art.

Licenses & IP:

Nouns operates under an open-source Creative Commons CC0 license, allowing anyone to use the Nouns name and imagery to create derivative works and projects, even if they don't own a Nouns NFT. However, the Nouns DAO governs the inclusion of new traits in the collection (the trait generation algorithm can be altered through the Noun Seeder contract, controlled by the Nouns DAO).

News / Announcements

Below you can find the list of the most relevant news, especially those that have had a significant effect on the value of the collection.

Aug 8, 2021	The Nouns are on-chain
Aug 9, 2021	Birth of SharkDAO
Aug 10, 2021	Learn how Nouns tech works
Aug 11, 2021	PartyDAO (pool money together to buy NFTs) is going to integrate Nouns
Aug 17, 2021	Nouns explained by @GiancarloChaux
Aug 23, 2021	Noun 16 has received a bid of 168.88 ETH
Aug 25, 2021	Proposal 1, 'Donate 5 ETH each to 6 Charities'
Nov 1, 2021	nouns.wtf/playground just went live
Dec 31, 2021	The Nouns Foundation has been established
Jan 19, 2022	Noun 179 acquired by the Foundation for 'prominent beverage company'
Feb 7, 2022	Nounsdao will be featured in Bud Light's Super Bowl commercial
Jun 27, 2022	Nouns Twitter Account Compromised
Dec 11, 2022	Nouns x Fitz Frames funded 3,000 prescription glasses for kids
Mar 10, 2022	Nouns x @skatepark to give away 300 skateboards to kids in need
Mar 11, 2022	Nouns x UNICEF in providing emergency relief for children in Ukraine
May 25, 2022	Nouns App for iPhone
Aug 8, 2022	Nouns Turn One Year Old
Aug 17, 2022	Rally To Offer Fractional Shares of Noun 160
Apr 21, 2022	Proposal: Nouns go to the Rose Parade
Sep 14, 2022	Tessera Introduces Nounlets
Sep 20, 2022	Sail Nouns in the New York Harbor for NFT.NYC 2023
Oct 6, 2022	Spreading the nounish culture around the world
Oct 20, 2022	A list of all the groups in the Nouns universe including Discord invite
Oct 31, 2022	Nouns to Shut Down Discord on Halloween
Dec 11, 2022	What is Nouns? Short video
Dec 16, 2022	Hofmann resigned from the foundation board to focus on his startup
Dec 23, 2022	Nouns stories on the make
Dec 25-27-29, 2022	Rose Parade teaser1, teaser2, teaser3

Jan 2, 2023	What is Nouns? Short video
Jan 3, 2023	This Is Nouns Open Edition
Jan 27, 2023	The first Nouns Comic is available for pre-order
Feb 21, 2023	The Wizard's Hat - A Nounish Tale
Feb 24, 2023	Nouns-inspired fashion collection by @danitpeleg3d at NFTParis
Mar 2 , 2023	What is Nouns? Short video
Apr 18, 2023	Nouns-inspired fashion line by Jacob Tran
May 9, 2023	Celebrate 100 Nounish Things with a video
May 25, 2023	Nouns collectibles
May 25, 2023	Movie teaser
Jun 2, 2023	Nouns shorts are coming
Jun 21, 2023	Rise of Blus: A Nouns Movie	Part 1

More info can be found on Twitter or on their discourse section https://discourse.nouns.wtf/.

Report Analysis

In the midst of this NFT era's exploration, Nouns DAO stands out as a remarkable testament to innovation. With a seamless fusion of NFTs and decentralized autonomous organization (DAO) principles, it has metamorphosed into a multimillion-dollar decentralized brand. This unique amalgamation has sparked the evolution of an ecosystem that not only redefines digital art but also reshapes the very essence of on-chain communities.

This project not only showcases the diverse potential of NFTs but also demonstrates their capacity to cultivate powerful, decentralized entities. Its journey holds promise, shaping an influential presence within the ever-evolving landscape of NFTs. Through its focus on decentralized governance, community engagement, and the funding of public goods, Nouns DAO offers an innovative approach to NFT collections. It has carved a place of significance within the NFT ecosystem, creating a dynamic experience that resonates with creators and collectors alike.

Regarding the recent Fork it would be interesting to see how many Nouns have applied just to implement the Vanilla Regequit and take the underlying funds out.

Regarding the recent Fork, it would be intriguing to see how many Nouns have participated solely to execute the Vanilla Ragequit and withdraw the underlying funds.

Resources

Below you can find the list of sources, divided by sections, that have been used to compile the report:

Introduction:
https://decrypt.co/resources/what-are-nouns-the-nft-dao-building-open-source-ip
https://luckytrader.com/articles/what-is-a-nouns-nft-the-nouns-dao-project-you-should-know
https://nftnow.com/guides/an-nft-every-day-a-guide-to-the-nouns-nft-project-dao
https://discourse.nouns.wtf/t/proposal-fund-nouns-foundation-setup-and-2022-operations/649
Brand Overview:
https://nouns.wtf/
Nouns DAO:
https://nouns.wtf/
Related Collections:
https://lilnouns.wtf/
Market Overview:
https://nftgo.io/collection/nouns/overview
Community Statistics:
-
Team:
https://luckytrader.com/articles/what-is-a-nouns-nft-the-nouns-dao-project-you-should-know
Tokenomics:
-
Art / Licenses & IP:
https://luckytrader.com/articles/what-is-a-nouns-nft-the-nouns-dao-project-you-should-know
News / Announcements:
https://luckytrader.com/nft/nouns/news
Report Analysis:
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