

ARTICLE 1 - PROVISIONS

17-31-101. Short title.

This chapter shall be known and may be cited as the "Wyoming Decentralized Autonomous Organization Supplement."

17-31-102. Definitions.

(a) As used in this chapter:

(i) "Blockchain" means as defined in W.S. 34-29-106(g)(i);

(ii) "Decentralized autonomous organization" means a limited liability company organized under this chapter;

(iii) "Digital asset" means as defined in W.S. 34-29-101(a)(i);

(iv) Repealed by Laws 2022, ch. 36, § 2.

(v) "Majority of the members" means more than fifty percent (50%) of the membership interests eligible to participate in a vote or any membership interests required pursuant to the decentralized autonomous organization's articles of organization or operating agreement. A person dissociated as a member as set forth in W.S. 17-29-602 shall not be included for the purposes of calculating the majority of the members;

(vi) "Membership interest" means a member's ownership right in a decentralized autonomous organization, which may be determined by the organization's articles of organization or operating agreement or ascertainable from a blockchain on which the organization relies to determine a member's ownership right. A membership interest may also be characterized as either a digital security or a digital consumer asset as defined in W.S. 34-29-101, if designated as such in the organization's articles of organization or operating agreement;

(vii) "Open blockchain" means a blockchain as defined in W.S. 34-29-106(g)(i) that is publicly accessible and its ledger of transactions is transparent;

(viii) Repealed by Laws 2022, ch. 36, § 2.

(ix) "Smart contract" means an automated transaction, as defined in W.S. 40-21-102(a)(ii), or any substantially similar analogue, or code, script or programming language relying on a blockchain which may include taking custody of and transferring an asset, administering membership interest votes with respect to a decentralized autonomous organization or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions.

17-31-103. Application of Wyoming Limited Liability Company Act.

(a) The Wyoming Limited Liability Company Act applies to decentralized autonomous organizations to the extent not inconsistent with the provisions of this chapter, and the powers provided to the secretary of state by W.S. 17-29-1102 shall apply to this chapter.

(b) This chapter does not repeal or modify any statute or rule of law that applies to a limited liability company that is organized under the Wyoming Limited Liability Company Act that does not elect to become a decentralized autonomous organization.

17-31-104. Definition and election of decentralized autonomous organization status.

(a) A decentralized autonomous organization is a limited liability company whose articles of organization contain a statement that the company is a decentralized autonomous organization as described in subsection (c) of this section.

(b) A limited liability company formed under the Wyoming Limited Liability Company Act, W.S. 17-29-101 through 17-29-1102, may convert to a decentralized autonomous organization by amending its articles of organization to include the statement required by subsections (a) and (c) of this section and W.S. 17-31-106.

(c) A statement in substantially the following form shall appear conspicuously in the articles of organization or operating agreement, if applicable, in a decentralized autonomous organization:

NOTICE OF RESTRICTIONS ON DUTIES AND TRANSFERS

The rights of members in a decentralized autonomous organization may differ materially from the rights of members in other limited liability companies. The Wyoming Decentralized Autonomous Organization Supplement, underlying smart contracts, articles of organization and operating agreement, if applicable, of a decentralized autonomous organization may define, reduce or eliminate fiduciary duties and may restrict transfer of ownership interests, withdrawal or resignation from the decentralized autonomous organization, return of capital contributions and dissolution of the decentralized autonomous organization.

(d) The registered name for a decentralized autonomous organization shall include wording or abbreviation to denote its status as a decentralized autonomous organization, specifically "DAO", "LAO", or "DAO LLC."

(e) A statement in the articles of organization shall establish how the decentralized autonomous organization shall be managed by the members, including to what extent the management will be conducted algorithmically.

17-31-105. Formation.

(a) Any person may form a decentralized autonomous organization which shall have one (1) or more members by signing and delivering one (1) original and one (1) exact or conformed copy of the articles of organization to the secretary of state for filing. The person forming the decentralized autonomous organization need not be a member of the organization.

(b) Each decentralized autonomous organization shall have and continuously maintain in this state a registered agent as provided in W.S. 17-28-101 through 17-28-111.

(c) A decentralized autonomous organization may form and operate for any lawful purpose, regardless of whether for profit.

(d) Repealed by Laws 2022, ch. 36, § 2.

(e) If the articles of organization filed pursuant to subsection (a) of this section does not include a publicly available identifier as required by W.S. 17-31-106(b), the person filing shall have thirty (30) days to provide the

publicly available identifier to the secretary of state. If the publicly available identifier is not provided within thirty (30) days, the secretary of state shall dissolve the decentralized autonomous organization.

17-31-106. Articles of organization.

(a) The articles of organization of a decentralized autonomous organization shall include a statement that the organization is a decentralized autonomous organization, pursuant to W.S. 17-31-104, and shall set forth the matters required by W.S. 17-29-201.

(b) In addition to the requirements of subsection (a) of this section the articles of organization shall include a publicly available identifier of any smart contract directly used to manage, facilitate or operate the decentralized autonomous organization.

(c) Except as otherwise provided in this chapter, the articles of organization and the smart contracts for a decentralized autonomous organization shall govern all of the following:

(i) Relations among the members and between the members and the decentralized autonomous organization;

(ii) Rights and duties under this chapter of a person in their capacity as a member;

(iii) Activities of the decentralized autonomous organization and the conduct of those activities;

(iv) Means and conditions for amending the operating agreement;

(v) Rights and voting rights of members;

(vi) Transferability of membership interests;

(vii) Withdrawal of membership;

(viii) Distributions to members prior to dissolution;

(ix) Amendment of the articles of organization;

(x) Procedures for updating, modifying or otherwise revising the organization's smart contracts;

(xi) Dispute resolution;

(xii) All other aspects of the decentralized autonomous organization.

17-31-107. Amendment or restatement of articles of organization.

(a) Articles of organization shall be amended when:

(i) There is a change in the name of the decentralized autonomous organization;

(ii) There is a false or erroneous statement in the articles of organization; or

(iii) The decentralized autonomous organization's smart contracts have been updated or changed.

17-31-108. Operating agreement.

To the extent the articles of organization or smart contract do not otherwise provide for a matter described in W.S. 17-31-106, the obligations, rights and duties of the members and operation of a decentralized autonomous organization may be supplemented by an operating agreement. An operating agreement may be a smart contract.

17-31-109. Management.

Management of a decentralized autonomous organization shall be vested in its members or the members and any applicable smart contracts. All smart contracts utilized by a decentralized autonomous organization shall be capable of being updated, modified or otherwise upgraded.

17-31-110. Standards of conduct for members.

Unless otherwise provided for in the articles of organization or operating agreement, no member of a decentralized autonomous organization shall have any fiduciary duty to the organization or any member except that the members shall be subject to the implied contractual covenant of good faith and fair dealing.

17-31-111. Membership interests for decentralized autonomous organizations; voting.

(a) For purposes of W.S. 17-31-113 and 17-31-114 and unless otherwise provided for in the articles of organization, smart contract or operating agreement:

(i) Membership interests in a decentralized autonomous organization shall be calculated by dividing a member's contribution of digital assets to the organization by the total amount of digital assets contributed to the organization at the time of a vote; or

(ii) If all members have not contributed digital assets to an organization as a prerequisite to becoming a member, each member shall possess one (1) membership interest and be entitled to one (1) vote;

(iii) Repealed by Laws 2022, ch. 36, § 2.

17-31-112. Right of members and dissociated members to information.

To the extent the information is available on an open blockchain, members and dissociated members shall have no right under W.S. 17-29-410 to separately inspect or copy records of a decentralized autonomous organization and the organization shall have no obligation to furnish any information to members or dissociated members concerning the organization's activities, financial condition or other circumstances.

17-31-113. Membership and withdrawal of members.

(a) Except as specified in subsection (d) of this section, a member may only withdraw from a decentralized autonomous organization in accordance with the terms set forth in the articles of organization, the smart contracts or the operating agreement.

(b) A member of a decentralized autonomous organization may not have the organization dissolved for a failure to return the members' contribution to capital.

(c) Unless the organization's articles of organization, smart contracts or operating agreement provide otherwise, a withdrawn member forfeits all membership interests in the

decentralized autonomous organization, including any governance or economic rights.

(d) Where the articles of organization, operating agreement and smart contracts for a decentralized autonomous organization do not specify the manner by which a person:

(i) Becomes a member of a decentralized autonomous organization, a person shall be considered a member if the person purchases or otherwise assumes a right of ownership of a membership interest or other property that confers upon the person a voting or economic right within the decentralized autonomous organization;

(ii) Withdraws membership from a decentralized autonomous organization, the person shall cease to be a member if the person transfers, sells or alienates all membership interests or other property that confers upon the person a voting or economic right within the decentralized autonomous organization and retains no further right of ownership therein.

17-31-114. Dissolution.

(a) A decentralized autonomous organization organized under this chapter shall be dissolved upon the occurrence of any of the following events:

(i) The period fixed for the duration of the organization expires;

(ii) By vote of the majority of the members of a decentralized autonomous organization;

(iii) At the time or upon the occurrence of events specified in the underlying smart contracts or as specified in the articles of organization or operating agreement;

(iv) The decentralized autonomous organization has failed to approve any proposals or take any actions for a period of one (1) year;

(v) The decentralized autonomous organization no longer performs a lawful purpose or is no longer under the control of at least one (1) natural person;

(vi) Where all members of the decentralized autonomous organization have withdrawn in accordance with W.S. 17-31-113.

(b) As soon as possible following the occurrence of any of the events specified in subsection (a) of this section causing the dissolution of a decentralized autonomous organization, the organization shall execute a statement of intent to dissolve in the form prescribed by the secretary of state.

(c) Any interested party may petition a court of competent jurisdiction for dissolution of a decentralized autonomous organization upon the occurrence of any of the events specified in subsection (a) of this section and upon finding the occurrence of one (1) or more of the events specified in subsection (a) of this section the court shall enter an order dissolving the decentralized autonomous organization.

17-31-115. Miscellaneous.

The articles of organization and the operating agreement of a decentralized autonomous organization are effective as statements of authority. Where the underlying articles of organization and operating agreement are in conflict, the articles of organization shall preempt any conflicting provisions. Where the underlying articles of organization and smart contract are in conflict, the smart contract shall preempt any conflicting provisions of the articles of organization, except as it relates to W.S. 17-31-104 and 17-31-106(a) and (b).

17-31-116. Foreign decentralized autonomous organization.

The secretary of state shall not issue a certificate of authority for a foreign decentralized autonomous organization.