

ConstitutionDAO loses \$43 million auction of rare US Constitution copy

A quickly assembled group of crypto enthusiasts who crowdfunded an astonishing \$47 million in funds to bid for a rare copy of the US Constitution lost out to a bidder with deeper pockets.

The group, ConstitutionDAO, said in an update on Discord that they did not win the auction at Sotheby's tonight, which sold for a total of \$43.2 million. The DAO's organizers believed they would not have enough money to "insure, store, and transport the document" if they had made a higher bid.

The group assembled over the past week, mostly, it seems, because it seemed like a bunch of randos on the internet buying an important historical document would be a funny thing to do. Somehow, they managed to get enough interest to raise a huge sum in Ether. The organizers say they will refund all contributors, minus Ethereum network fees.

"While this wasn't the outcome we hoped for, we still made history tonight with ConstitutionDAO," the organizers wrote in an update. "This is the largest crowdfund for a physical object that we are aware of—crypto or fiat. We are so incredibly grateful to have done this together with you all and are still in shock that we even got this far."

The bidding process, which should have been a thrilling and potentially celebratory moment for the thousands of contributors who stayed online to watch, ended up being a chaotic and messy event. Bids were made in person through

representatives who bid anonymously on behalf of potential buyers. Bidding quickly jumped to \$30 million, then ticked up million by million over the following minutes, with two representatives slowly going back and forth, conferring with the final pair of potential buyers by phone.

But no one knew which of the two representatives were bidding on behalf of ConstitutionDAO. In the group's Discord, people spammed guesses about which of the two representatives was on their side. Even once the auction wrapped, no one knew who the winner was, and conflicting information trickled out through tweets and Twitter Spaces.

More than 10 minutes after bidding ended, ConstitutionDAO organizers finally posted an official update stating that they had not won the bid.

Despite the loss, the DAO's ability to raise so much money so quickly, to garner the excitement of thousands, and to push the price up against another wealthy party is the latest example of individuals organizing at a large scale online. We've increasingly seen consumers join together financially to stand up to larger interests – though not always in successful or entirely coherent ways – like when a bunch of Redditors sent the stock of GameStop and a handful of other companies soaring in early 2021.

If it had succeeded, the DAO planned to determine the document's future by vote based on governance tokens passed out to contributors and distributed through the Ethereum blockchain. With a loss instead, the DAO has to tackle another logistical issue: returning \$47 million in Ether and dissolving what had, for a brief couple of days, been a multi-million dollar organization.

<https://www.theverge.com/2021/11/18/22790452/constitutiondao-loses-auction-for-rare-us-constitution-copy-sothebys>