

Introduction

The entire world is watching as the story of the Tezos Foundation's mismanagement unfolds, speculating on the actions of board members, regulators, and lawyers representing US class action lawsuits. It is fair and prudent that we investigate and thoroughly vet the individual now at the helm of the Tezos Foundation, and bring some light to the Crypto Valley's intricate web of relationships. The Community hopes that this insight will spur the Swiss regulatory authorities to investigate and salvage the reputation of the Crypto Valley, which states among its core values "Trust, Transparency, and Integrity."¹ For the purposes of this article we delve into the professional life of Mr. Johann Lothar Gevers in order to shed some light on how the Tezos Foundation has ended up in such an awful state with him at the helm.

Johann Lothar Gevers

Mr. Gevers' autobiography depicts an idealist libertarian growing up in South Africa as a descendent of German missionaries. He grew up playing with Zulu children, immersed in African culture. His place of birth, named "Vryheid" in South Africa, translates from the Afrikaans as "Freedom," a concept that would drive him his entire life.² Mr. Gevers' involvement with cryptocurrency, blockchain and digital ledger technologies is first documented in September 2012³, and appears to be a natural extension of his libertarian philosophy. His association with libertarian movements and projects of the 1990's/2000's shows early attempts at establishing anonymous monetary systems utilizing encryption, developing societies/communities echoing the teachings of Ayn Rand, and even autonomous floating cities in the ocean. Mr. Gevers is presently best known for "initiating" the Crypto Valley Association,⁴ which seeks to transform the Swiss Canton of Zug into an "ecosystem for crypto technologies and businesses." His personal project, The Monetas Platform, is presently in bankruptcy proceedings⁵. As he claims extensive achievements in both academic and professional experience spanning accounting, investing, consulting, auditing and serial entrepreneurship, one might expect the organizations that Mr. Gevers helms as President to be successful, but his history suggests something entirely different.

An initial review of Mr. Gevers' name yields a strange labyrinth of various companies he has been involved in. In the context of an independent business consultant and/or auditor, this is not necessarily unusual. However, a noticeable pattern emerges: the majority of these companies end up in dissolution, bankruptcy or seem to disappear without a trace. This will be discussed in more detail, but for now, let us focus on his education, credentials and business networks to understand why he was highly recommended by MME Legal Tax Compliance AG to lead the Tezos Foundation, and how the Tezos Foundation came to be an almost predictable failure in management.

¹ <https://cryptovalley.swiss/crypto-valley-values/>

² <https://web.archive.org/web/20060810151552/http://johanngevers.com:80/bio>

³ <https://bitcointalk.org/index.php?topic=112492.0>

⁴ <https://cryptovalley.swiss/about-the-association/>

⁵ <https://drive.google.com/file/d/1G09Cy8K6ThXx-IP76J5Bgl4lcmYgawbG/view?usp=sharing>

Claimed Formal Education^{6 7 8}

- 1982: Graduated from Hermannsburg German School, in South Africa⁹
- 1988: Earns BSc, Mathematics, Psychology from University of the Witwatersrand
- 1990: Earns BA, Philosophy, Logic from University of South Africa
- 1994: Earns HonsBCompt, Accounting; Auditing, Tax from University of South Africa
- 1995: Earns CA from PAAB, in South Africa
- 1998: Earns CFA from CFA Institute¹⁰
- 2008: Studies Economics, Law at University of British Columbia, Canada

Mr. Gevers' education in Accounting, Economics, Mathematics and Law suggests skillful competence in management and success, so it is surprising that his ventures have suffered repeated, documented failures, including personal bankruptcy on September 9th, 2010¹¹. In fact, other than successfully "initiating" the Crypto Valley Association, it is difficult to discern in a review of his many ventures, any semblance of management success.

Professional Experience

Mr. Gevers' stated resume and personal website suggest professional experience spanning a wide range: scientist; trumpet player; from auditor to a massage therapist¹²; and, many things in-between. In the late 80's, he worked as a social scientist at HRSC for approximately two years, followed by a less than one year stint as a consultant for "The Concept Factory." After that, he assumes the role of senior auditor at BDO in South Africa for two years, and then he becomes Portfolio Manager at "Investment Companies" for approximately three years¹³.

From 1999 - 2011, an entrepreneurial period, he worked as an "Independent Business Consultant"¹⁴ and shifted in and out of companies while also setting up his own ventures. Following are some of the known activities Mr. Gevers undertook during this period.

"Currently, in addition to my work on building free societies, I consult to high-tech companies...I was a professional trumpet player for two years...I am a certified massage therapist, and trained in Somatic Experiencing." Johann Gevers - 2007¹⁵

⁶ http://web.archive.org/web/20081006114512/http://johanngevers.com/Johann_Gevers_resume.pdf

⁷ <http://johanngevers.com/projects/>

⁸ <https://www.linkedin.com/in/johanngevers/>

⁹ http://www.safrika.org/Names/DSH_Namen.html

¹⁰ <https://www.cfainstitute.org/community/membership/directory/pages/results.aspx?uid=215980>

¹¹ <https://drive.google.com/file/d/1ETY82ca6nAgFju8oHl2gPUPL9uNM0o35/view?usp=sharing>

¹² <https://web.archive.org/web/20071226191949/http://johanngevers.com:80/index>

¹³ http://web.archive.org/web/20081006114512/http://johanngevers.com/Johann_Gevers_resume.pdf

¹⁴ http://web.archive.org/web/20081006114512/http://johanngevers.com/Johann_Gevers_resume.pdf

¹⁵ <https://web.archive.org/web/20071226191949/http://johanngevers.com:80/index>

Laissez Faire City

(Status: **Dissolved** as of 2002)

Mr. Gevers purchased his first “Founder’s Position” and second “Founder’s Position” in 2000, and 2001 respectively, actively participating in establishing Laissez Faire City (LFC) in Costa Rica.¹⁶ The LFC Founders Association hired Mr. Gevers as an independent auditor at the end of 2001, and in February 2002, LFC was dissolved, and he was assigned as liquidator of the assets on January 23, 2003^{17 18}. To this day, LFC investors still question Mr. Gevers’ role in LFC, and a search for Laissez Faire City will see show his name amidst claims of “embezzlement and mismanagement”¹⁹. Whether any of the allegations are true is hard to say, but suspicions are numerous and well documented online. Laissez Faire City was an attempt to create an autonomous society free of control of the Costa Rican government. The concept was inspired by Ayn Rand’s writings, which seems to have had a profound impact on Mr. Gever’s sense of his own ultimate and final autonomy and unwillingness to be bound by laws and societal restraints. “Laissez Faire” translates from the French as “leave alone,” hence the denial of being subject to governance. Due to the nature of the project, it is suspected that some participants used aliases²⁰ during that time for purposes that are not yet clear. LFC’s website in 2001 proudly advertised: “You are invited to join the highest achieving group of individualists ever to assemble for their own mutual benefit, the first five thousand Founders of Laissez Faire City”²¹ The site sold “Founder’s Positions” to those eager to get involved.

TEGRA Corporation

(Status: **Dissolved** as of 2005)

On February 14, 2003, three weeks after being appointed liquidator of Laissez Faire City International Trust (LFCIT)²², Mr. Gevers set up TEGRA Corporation in Las Vegas, Nevada²³. Publicly available information shows that he held all three positions in that company: President, Secretary and Treasurer. Tegra Corporation status is listed as “Permanently Revoked” as of February 28, 2005²⁴, which means the company lasted about two years. Searching online for any references to services offered by Tegra Corporation yields no results of substance, leading one to believe that the company was set up as a shell and never truly active in any meaningful capacity.

¹⁶ <http://archive.li/qVLGn>

¹⁷ <http://web.archive.org/web/20031001183425/http://lfcfa.com:80/founders/index.html>

¹⁸ <https://bitcointalk.org/index.php?topic=788886.20>

¹⁹ <https://www.offshorealert.com/forums.aspx?g=posts&t=37064>

²⁰ <http://freenation.org/a/f63k1.html>

²¹ <https://web.archive.org/web/20001027011444/http://lfcity.org:80/>

²² <https://www.offshorealert.com/forums.aspx?g=posts&t=37064>

²³ <https://www.nevada-register.com/473502-tegra-corporation>

²⁴ <https://www.nevada-register.com/473502-tegra-corporation>

Adaptive A.I. / a2i2 / Smart Action

(Status: **Active**)

Mr. Gevers states that he was an advisor for a2i2²⁵, which appears to be a DBA for Adaptive A.I. Inc. His advisory role would have occurred in 2002, and coming so soon after the LFCIT liquidation, raised further suspicions among LFC investors²⁶. The reason for the suspicions is that Peter Voss, founder of Adaptive A.I. Inc, publicly stated that Johann Gevers had “made an initial contribution and is increasing his holding monthly”²⁷. Peter Voss claimed on his website that Adaptive A.I. Inc was founded in December, 2001²⁸, however public records show that he actually founded the corporation on July 4, 2002²⁹, at the time of dissolution of LFC. The company then showed little activity from 2002 to 2008, besides soliciting donations, until 2009, when it launched its “Smart Action Virtual Agents” products under its Smart Action subsidiary (founded on December 26, 2008 with help from Mr. Gevers³⁰). Adaptive A.I. now shows as being registered to Thomas Lewis in 2016, and the original adaptiveai.com domain as well as Peter Voss’ website (optimal.org) redirect or link visitors to smartaction.com. It is unclear whether a2i2/Adaptive A.I. or its Smart Action subsidiary was successful in any capacity.

Freedom Universal

(Status: **Unknown**)

Mr. Gevers was the founder and president of two libertarian-inclined institutes that he proudly mentions on his resume and website. The first of these two institutes is “Freedom Universal.” Intensive searching of public records in the United States and Canada does not reveal any company information regarding Freedom Universal, except for the website that Mr. Gevers himself created. This suggests that Freedom Universal was not an actual Institute or company in any formal sense, though it was publicly soliciting sponsorships and donations.³¹ The website for Freedom Universal was set up on August 14, 2005, seeking participation and donations from those who “want to contribute to the growth and flourishing of freedom on a hitherto unparalleled scale.”³² The still-unchanged website is currently active, and still solicits donations through PayPal. The achievements of Freedom Universal are unclear, as well as what has happened to the donations that it solicited and received.

Even more disturbing is what appears to be a lack of formal legal registry for accepting donations and the tax consequences thereof, a possible serious and continual violation of law.

²⁵ <https://web.archive.org/web/20071226191949/http://johanngevers.com:80/index>

²⁶ <https://bitcointalk.org/index.php?topic=150803.8430>

²⁷ <https://web.archive.org/web/20120621101537/http://www.adaptiveai.com/news/oldnews.htm>

²⁸ <https://web.archive.org/web/20061231123142/http://www.adaptiveai.com:80/>

²⁹

<https://businesssearch.sos.ca.gov/CBS/SearchResults?SearchType=CORP&SearchCriteria=Adaptive+A.I.&SearchSubType=Keyword>

³⁰ <https://web.archive.org/web/20170322210117/http://johanngevers.com/projects/>

³¹ <https://web.archive.org/web/20161019005331/http://instituteoffreedom.org/community>

³² <https://web.archive.org/web/20161019010359/http://instituteoffreedom.org/mission>



Johann Gevers, as President of The Institute for Freedom, attending an Interview with Marc Emery, Leader, BC Marijuana Party on June 7, 2007.

Institute for Freedom

(Status: **Unknown**)

Closely associated with the Freedom Universal project is another of Mr. Gevers' creations, the Institute for Freedom. The site is a virtual clone of the Freedom Universal website and similarly collects donations³³ in order to build a "Free, Just and Prosperous Society." As before with Freedom Universal, the website has remained unchanged since its inception, suggesting it never became active or relevant in any significant way. Additionally, there is no public record of the Institute for Freedom being formally set up as an institution or company in the United States or Canada. One of the stated goals of the Institute for Freedom was to write and publish a Constitution for a freer society; the short-form constitution was written by Mr. Gevers in 2005, although 12 years later the website still promises that "the full, detailed statement is being developed and refined in collaboration with experts in the fields of law, economics, political science, and public policy."³⁴ It appears that Mr. Gevers was the institute's sole employee, acting as President. It is yet unclear how the donations were reported for tax purposes, and whether local laws were followed for registration of charitable organizations.

³³ <https://web.archive.org/web/20161019005331/http://instituteforfreedom.org/community>

³⁴ <https://web.archive.org/web/20161019130504/http://freedomuniversal.com/constitution>

Empire Gaming LTD

(Status: **Bankrupt** as of 2009)

On March 4, 2006, Johann Lothar Gevers was registered as Secretary of Empire Gaming LTD³⁵, a video game company located in the UK, with his home address listed to an apartment in South Africa³⁶. Shortly thereafter, the company was sold to Silverstar Holdings in December, 2006, and in 2009, Empire Gaming LTD filed for bankruptcy³⁷.

Gevers Investments

(Status: **Unknown**)

In 2008, Mr. Gevers references an unknown entity named “Gevers Investments” on his resume, claiming operation between 1996 - 1998 and 2003 - Present³⁸. By his own assessment, he “Grew Gevers Investments’ AUM by 2,900% in less than 2 years—from 3 clients investing \$100,000 to 40 clients investing \$3 million.”, with a return of 275%.³⁹ No public records for Gevers Investments could be found in the United States or Canada, suggesting that this was not set up as a company in any formal sense, which raises questions especially given his subsequent filing for personal bankruptcy in 2010. Laws also require that an investment advisor be registered and licensed, and in the United States that certain rules on “accredited investors” be followed.

Personal Bankruptcy

(Status: **Bankrupt** as of 2010 - March 2011)

On September 9, 2010, public records from the Vancouver Law Courts show that Johann Gevers personally filed for bankruptcy in *VLC-S-B-101462 MEYERS NORRIS PENNY LIMITED v GEVERS, Johann*.⁴⁰

Future Cities Development Inc

(Status: **Dissolved** as of 2012)

On August, 2011, Mr. Gevers worked for several months helping to found Future Cities Development Inc⁴¹, conceptually similar to Laissez Faire City, but located in Honduras. On October 19, 2012, Future Cities Development Inc ceased operations⁴², claiming a change in government laws that previously enabled the setting up of semi-independent government systems.

³⁵ <https://companycheck.co.uk/company/05735622/EMPIRE-GAMING-LTD/companies-house-data>

³⁶ <https://drive.google.com/file/d/1Him5U3LwPf40clxzoBgkm2JlmxmsVfGe/view?usp=sharing>

³⁷ https://en.wikipedia.org/wiki/Empire_Interactive

³⁸ http://web.archive.org/web/20081006114512/http://johanngevers.com/Johann_Gevers_resume.pdf

³⁹ http://web.archive.org/web/20081006114512/http://johanngevers.com/Johann_Gevers_resume.pdf

⁴⁰ <https://drive.google.com/file/d/1ETY82ca6nAgFju8oHl2gPUPL9uNM0o35/view>

⁴¹ <https://web.archive.org/web/20170322210117/http://johanngevers.com/projects/>

⁴² <https://web.archive.org/web/20121123151100/http://www.futurecitiesdev.com:80/about-us/>

Lifeboat Foundation

(Status: **Active**)

On December 10, 2013, Mr. Gevers joined the Finance Board of the Lifeboat Foundation.⁴³ The Lifeboat Foundation's mission is to use cutting edge technologies to safeguard humanity from extinction. To that end, its website states that the "Lifeboat Foundation is pursuing a variety of options, including helping to accelerate the development of technologies to defend humanity such as new methods to combat viruses, effective nanotechnological defensive strategies, and even self-sustaining space colonies in case the other defensive strategies fail."⁴⁴ The foundation was registered in 2002 as a US domestic, tax-exempt, non-profit public charity in Nevada.⁴⁵ Its website has been receiving cryptocurrency donations for a number of years. It's BTC donation wallet currently contains an amount exceeding 100 BTC, worth approximately \$1.5m USD by current BTC valuation⁴⁶.

"Welcome to the Lifeboat Foundation! Our goal is to save the human race from extinction."
- Lifeboat Foundation



Bitcoin Association Switzerland

(Status: **Active**)

Mr. Gevers claims to have co-founded the Bitcoin Association Switzerland in 2013.⁴⁷ However, reviewing the association website yields no mention of him as a participating founder and does not indicate any continual involvement.⁴⁸ Attempts at verification have yielded no confirmation. Though he may well have been involved, it fits a troubling pattern of setting up organizations to gain recognition and later failing to meaningfully contribute to them.

⁴³ <https://web.archive.org/web/20171119013326/https://lifeboat.com/ex/whats.new>

⁴⁴ <https://web.archive.org/web/20170830020803/https://lifeboat.com/ex/about>

⁴⁵

<https://nvsos.gov/sosentitysearch/CorpDetails.aspx?lx8nvq=E%252bhspbjR8T1%252fzVKs4KX9EQ%253d%253d&nt7=0>

⁴⁶ <https://web.archive.org/web/20170830020446/https://lifeboat.com/ex/bitcoin#form>

⁴⁷ <https://web.archive.org/web/20170322210117/http://johanngevers.com/projects/>

⁴⁸ <https://www.bitcoinassociation.ch/>

Monetas AG

(Status: **Bankrupt** as of 2017)

On September 24, 2012, Mr. Gevers founded Monetas AG⁴⁹ with the promise that “Monetas is building the infrastructure for a free and prosperous world,” allowing “transactions about 1,000 times faster and 1,000,000 times cheaper than the Bitcoin network.”⁵⁰ While he continued to praise the improvement of Monetas to his investors as recently as November 30, 2017⁵¹, the bankruptcy of the company was made public on December 11, 2017⁵². The failure to notify shareholders in a timely manner of the actual state of the company, perhaps even misleading them, may have violated Swiss law. Also troubling is the apparent near total lack of development of the Monetas software over a period of five years. If the Github⁵³ repository is where all of the code is held, there appears to have never been a functioning product. In addition, a former key member of the Monetas team has described Mr. Gevers’ terrible management of the entity⁵⁴ and a news reporter has spoken to several former Monetas employees or investors. “Goodwill towards the founder of the now defunct Monetas is practically non-existent.”⁵⁵ For these persons, the end of Monetas was foreseeable.

Crypto Valley Association and Crypto Valley LLC

(Status: **Active**)

In 2014, Mr. Gevers helped to found the Crypto Valley Association (CVA) in Zug, Switzerland, whose statement declares “The CVA is an independent, government-supported association established to take full advantage of Switzerland’s strengths to build the world’s leading blockchain and cryptographic technologies ecosystem.”⁵⁶ Membership in the CVA must be purchased, and as with past websites linked to Mr. Gevers, the CVA website solicits donations, although it is unclear what the donations are actually used for. Currently, Mr. Gevers is not listed as one of the association’s board members, and it is unclear when or why he left the organization. This appears to repeat a pattern of Mr. Gevers setting up and taking credit for entities and then abandoning them without continued or meaningful involvement. However, there is also a Crypto Valley LLC, founded in June 2014, with Mr. Gevers as sole partner and manager⁵⁷. The link between both entities is not clear.

⁴⁹ <http://www.schweizer-handelsregister.com/ZG/Zug/Monetas+AG.html>

⁵⁰ <https://cointelegraph.com/news/bitcoin-not-hot-for-monetas>

⁵¹ <https://drive.google.com/drive/u/1/folders/1PfsBxXoA-6LQDWGe6hIMdE0GqkMsca3G>

⁵² https://www.swissinfo.ch/eng/court-ruling_embattled-start-up-monetas-declared-bankrupt/43746584

⁵³ <https://github.com/monetas>

⁵⁴ <http://www.tezos.help/community-press-release.html>

⁵⁵ https://www.swissinfo.ch/eng/ongoing-row_pressure-mounts-on-tezos-foundation-head-gevers/43775056

⁵⁶ <https://cryptovalley.swiss/>

⁵⁷ <https://www.zefix.ch/en/search/entity/list/firm/1185291?name=Crypto%2520Valley%2520LLC&searchType=exact>

Digital Finance Compliance Association

(Status: **Unknown**)

On May 28, 2014, Mr. Gevers founded the Digital Finance Compliance Association (DFCA) in Switzerland along with MME Partners⁵⁸, a think tank specializing in legal and financial consultation for blockchain and tech startups in Switzerland.

In fact, Alexis Roussel, a former board member at DFCA, resigned on October 26, 2017⁵⁹ - although this fact is not reported in the register⁶⁰, citing concerns about how it was being managed and mentioning Mr. Gevers as a possible motive for leaving. Like Mr. Gevers' other projects, DFCA also solicits donations. The BTC donation address shows a total collection for 2014 of approximately 2.25 BTC, which was promptly withdrawn⁶¹. The total value of the contribution was equivalent to about \$1,041.14 in 2014. As with the CVA, no significant activity can be attributed to DFCA. Again, Mr. Gevers appears to have set up the DFCA for personal recognition. This also results from Mr. Roussel's statement⁶² The DFCA website has been down for a period of time.



Alexis Roussel announces he is resigning from the DFC board, hinting at possible concerns in Mr. Gevers' management of the association.

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[https://www.zefix.ch/en/search/entity/list/firm/1183135?name=Digital%2520Finance%2520Compliance%2520Association%2520\(DFC\)&searchType=exact](https://www.zefix.ch/en/search/entity/list/firm/1183135?name=Digital%2520Finance%2520Compliance%2520Association%2520(DFC)&searchType=exact)

⁵⁹ https://twitter.com/alexis_roussel/status/923353308315701250

⁶⁰

<https://zg.chregister.ch/cr-portal/auszug/auszug.xhtml?jsessionid=74bb0c3ffa8a413a56688997a60d?uid=CHF-288.405.265#>

⁶¹ <https://blockchain.info/address/15UcPdDQHMZHRvAvHK2ASahXrjhzY5zwr7h>

⁶² https://twitter.com/alexis_roussel/status/923353308315701250

Tezos Foundation

(Status: **Active**)

The Tezos Stiftung was founded by acting President of the Board Johann Lothar Gevers and is registered as a non-profit foundation in Switzerland. The Tezos Blockchain Protocol was invented by Arthur Breitman, and its intellectual property (IP) is held by Dynamic Ledger Solutions, Inc. (DLS), whose CEO is Kathleen Breitman, his wife. Kathleen and Arthur Breitman are commonly known as “The Founders.” It was decided that funds would be raised from contributors and held by the Tezos Foundation, which would fund the initial development to launch the protocol as well as provide resources for improvements, development, promotion, and community support in the future.⁶³ The Foundation would then pay DLS an earn out of 8.5% of ICO funds raised, and 10% of the Tezos genesis block, after the network operates as designed for a period of three months.⁶⁴

The Tezos Foundation and DLS are separate entities. DLS owns the IP for the Tezos technology and the Foundation is responsible for funding a team to develop and launch the network using that IP. Due to the Foundation withholding of necessary funds, the Foundation’s own development team has been starved for funding, and the Founders have expended their personal savings to actively fund the Foundation’s development team and attempt to bring the network to launch. Some developer employees of the Foundation have gone without pay but still continue to work in the hopes of eventually being paid. Other employees have quit the Foundation because of Mr. Gevers’ mismanagement.

Though the foundation was only founded on March 21, 2017, it has seen it share of drama since the donation period. One main issue is DLS’ allegation that Mr. Gevers attempted to “self-deal” and misrepresent size of a payment to himself while pressuring the other board members to acquiesce. Further to the charges are that Mr. Gevers has failed to fulfill not only the agreement with DLS to fund development to launch, but also to fulfill the Foundation’s very charter, which is to support the development of the Tezos protocol through financial disbursement.

This allegation by DLS triggered an audit of the Foundation, which has supposedly been completed under the supervision of one of the board members, Guido Cyrill Schmitz-Krummacher. To date, the audit has not been released, and without disclosing the conclusion or substance of the audit, Mr. Schmitz-Krummacher resigned on December 12th, 2017.⁶⁵

The board now has only two members, Johann Lothar Gevers and Diego Olivier Fernandez Pons. The Tezos Community has been actively pushing the Foundation to communicate and provide an update on the status of the audit and board, but there has been no response for more than three months.^{66 67 68 69}

⁶³ https://drive.google.com/file/d/1apRd8x7nAux6zQUE_aE9oxvKHupPN66w/view?usp=sharing

⁶⁴ <https://www.tezos.com/dls>

⁶⁵

<https://www.cnbc.com/2017/12/12/reuters-america-tezos-board-member-resigns-fueling-turmoil-at-cryptocurrency-startup.html>

⁶⁶ <http://www.tezos.help/community-statement.html>

⁶⁷ <http://www.tezos.help/community-statement-2.html>

⁶⁸ <http://www.tezos.help/community-statement-3.html>

⁶⁹ <http://www.tezos.help/community-press-release.html>

It is thought that Mr. Gevers has a casting override vote⁷⁰ in selecting a new board member in the case of a tie, and the growing concern in the Community is that he will veto the addition of anyone who agrees to release possible wrongdoings revealed by the audit.⁷¹ Whether such is the case remains to be seen, but Mr. Gevers' history of bankruptcy and company dissolution suggests an awful fate for the Tezos Foundation if he remains at the helm.

A power struggle amid an ongoing audit is not a new experience for Mr. Gevers, who reportedly leveraged his auditor position in the Laissez Faire City project to terminate the Trustee and Receiver, on claims of "obstruction of the audit," by sending an email to each of the ex-board members asking them to approve the termination, which they reportedly did⁷². Such pressure on board members to acquiesce is the management style of Mr. Gevers, as reported by a former Monetas employee⁷³, and it is widely alleged in the Tezos Community-- though without the release of the audit it is difficult to verify-- that Mr. Gevers pressured Mr. Schmitz-Krummacher to not release the audit, as he had similarly pressured the board members earlier to acquiesce to his self-payment.

Graphical representation of Mr. Gevers' professional history

The number of failures that Mr. Gevers has launched is both impressive and shocking for someone allegedly qualified in matters of accounting, law and business. On the next page is a graphical timeline of Mr. Gevers' professional history. For a web formatted version click on the footnote.⁷⁴

⁷⁰

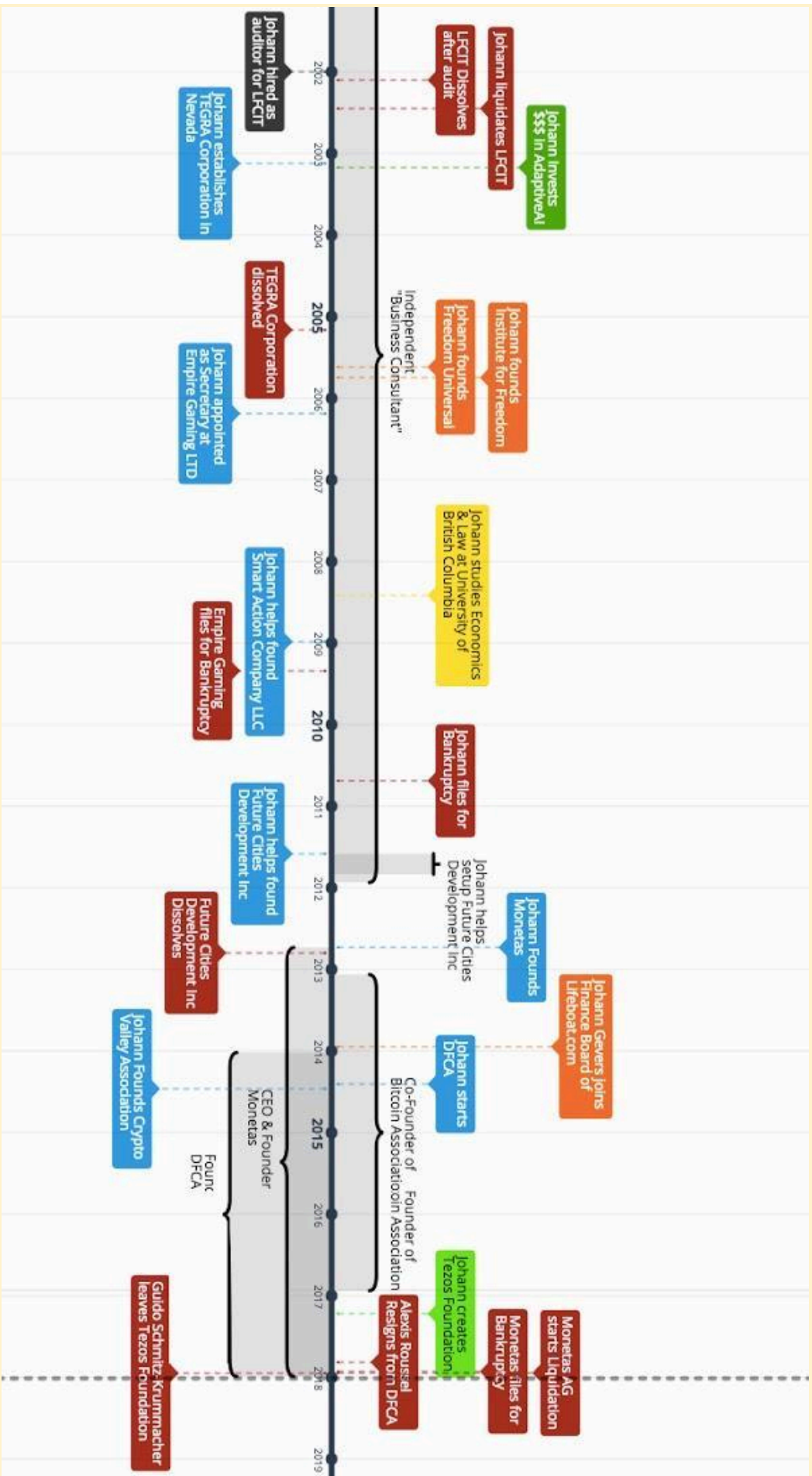
<https://www.cnbc.com/2017/12/12/reuters-america-tezos-board-member-resigns-fueling-turmoil-at-cryptocurrency-startup.html>

⁷¹ <http://www.tezos.help/community-statement-3.html>

⁷² <https://www.offshorealert.com/forums.aspx?g=posts&t=37064>

⁷³ <http://www.tezos.help/community-press-release.html>

⁷⁴ https://drive.google.com/file/d/1SSPa_OXR7w-h3e4se6-vBWt5YyvxNSZm/view?usp=sharing



Mr. Gevers' network

Throughout his stay in Switzerland, Mr. Gevers operated by leveraging a network of consultants and legal firms that ultimately enabled him to become the “founder” of the Tezos Foundation. To truly understand the vast network that Mr. Gevers has leveraged, it is necessary to visualize it - below you can find a relationship map that outlines a lot of his connections in the so called “Crypto Valley.”⁷⁵

⁷⁵ <https://drive.google.com/drive/folders/1iBWhFiYwCr52Hp9uD8cPOz-1FtGHvSQ0?usp=sharing>

Johann Gevers' relationship map showing several key relationships he has established in Switzerland at the onset of his career in the cryptocurrency world.

The relationship map reveals some possibly disturbing ethical conflicts of interest:

1. Mr. Gevers, MME Partners (a law firm whose members belong to the auditor MME Compliance AG), Sielva Management SA and HSC Consulting jointly created entities^{76 77 78 79} in Switzerland:
 - a. Digital Finance Compliance Association (MME Partners & HSC Consulting)⁸⁰
 - b. Monetas AG (MME Partners & HSC Consulting)^{81 82}
 - c. Crypto Valley Association (MME Partners)⁸³
 - d. Tezos Foundation (Sielva Management SA & MME Partners)^{84 85}

Thomas Müller, who is Legal Partner at MME Partners, advised on the creation of the Tezos Foundation and the formation of its board⁸⁶, with Mr. Gevers and Mr. Schmitz-Krummacher as initial board members. It is important to note that Mr. Schmitz-Krummacher's company, Sielva Management SA, has close, unclear, and potentially conflicted ties to MME Partners. The web site domain for Sielva Management SA uses the postal address of MME Partners for its Registrant, Admin, and Tech Contact.^{87 88} Similarly, other entities list the postal address of Sielva Management SA as the postal address of MME Partners.^{89 90}

This means that Mr. Schmitz-Krummacher's and Mr. Gevers' vote on the board of the Tezos Foundation may be compromised because of their connection with MME and conflicts of interest. This is particularly alarming since MME had a vested interest in protecting the reputation of its joint endeavors with Mr. Gevers and Mr. Schmitz-Krummacher by preventing negative publicity surrounding them.

It is further thought in the Tezos Community that MME Compliance AG may have conducted the audit of the Tezos Foundation on Mr. Schmitz-Krummacher's request, a clear violation of conflict of interest. Because of this web of intricate conflicts of interest, it is likely that the audit will never be released because it was done on the very orders of the people under investigation. A swift release of the full, un-redacted audit, which the Tezos Community Organizers⁹¹ have called for, would help remove doubts and allegations, dispel uncertainty and clear the names of the board members and MME itself. Failing this, a release of the audit by the Foundation Authority would rapidly bring the board governance problem to a close and allow the Foundation to proceed in its charter, instead of being seized in failure with Mr. Gevers at the helm.

⁷⁶ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=1537299>

⁷⁷ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=2586665>

⁷⁸ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=1537299>

⁷⁹ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=1161033>

⁸⁰ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=1537299>

⁸¹ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=1161033>

⁸² <https://www.swissreg.ch/srclient/faces/jsp/trademark/sr300.jsp?language=de§ion=tm&id=678778>

⁸³

https://web.archive.org/web/20170513010106/https://www.mme.ch/en/magazine/magazine-detail/url_magazine/mme_na_med_integral_part_of_crypto_valley/

⁸⁴ <https://www.shab.ch/shabforms/servlet/Search?EID=7&DOCID=3495003>

⁸⁵ <https://www.finews.com/news/english-news/28253-tezos-ico-swiss-foundation-dls-kathleen-arthur-breitman>

⁸⁶ <https://www.finews.com/news/english-news/28253-tezos-ico-swiss-foundation-dls-kathleen-arthur-breitman>

⁸⁷ <https://whois.icann.org/en/lookup?name=sielva-management.com>

⁸⁸ <https://www.mme.ch/en/>

⁸⁹ <https://www.moneyhouse.ch/en/company/kapstein-immobilien-ag-11504918391>

⁹⁰ <https://www.mme.ch/en/>

⁹¹ <http://www.tezos.help/community-statement-2.html>

2. Sam Chadwick, Financial & Risk Innovation team at Thomson Reuters, is part of the Crypto Valley Association board, and Thomson Reuters was a founding member of the association, which was purportedly founded with Mr. Gevers' and MME Partners' involvement.⁹² Reuters published an article soon after allegations against Mr. Gevers were made public in October, 2017 which not only sternly defended Mr. Gevers but also attacked the Kathleen and Arthur Breitman.⁹³ That a huge international news organization should come out with such bias on a first investigation suggests that an intricate and conflicted web of relationships is pervasive in Crypto Valley. Reuters has been the source of additional leaks from the Tezos Foundation on internal matters.⁹⁴

The current situation with the Tezos Foundation has recently raised a lot of concerns in the Cryptocurrency and Blockchain industry and has detracted from Zug, Switzerland as a friendly regulatory climate for "Crypto Valley." As we see with the Tezos Foundation, a single person, Mr. Johann Gevers, can actually impede the delivery and success of a network that is backed by \$1B equivalent in donations. The Tezos Community urgently hopes that the Swiss Foundation Authority take note and protect the integrity of the Crypto Valley.

Tezos Community

The Tezos Community *vehemently* opposes keeping Mr. Johann Lothar Gevers as the President of the Tezos Foundation for reasons enumerated in a widely circulated and supported Petition, and subsequent press release,^{95 96} signed by over 1600 contributors and well known members of the crypto community from over 95 countries, in December, 2017. The Tezos Community Petition requests Mr. Gevers' immediate removal from the board, and the subsequent statement urged that the new board member be "a demonstrably competent executive, highly respected in the crypto community, and completely independent," with "no prior dealings with current or former board members".⁹⁷

The Community further requests the direct intervention of the Swiss Foundation Authority in conducting an unbiased review of the activity undertaken by Mr. Gevers as President of the Tezos Foundation, Monetas AG, DFCA, the Crypto Valley Association and other organizations he is directly responsible for founding.

A thorough investigation into MME Partners' involvement in establishing and managing many of the Crypto Valley organizations, and subsequent web of conflicts of interests, would go a long way to prevent further damage to the reputation of Zug as a well regulated legal nexus adequate for the worldwide crypto community. The world community will be looking to see if the Swiss authorities take measures to bring an end to this awful episode so that the Tezos Foundation fulfills its charter to support the Tezos protocol.

⁹² <https://cryptovalley.swiss/about-the-association/>

⁹³

<https://www.reuters.com/article/us-bitcoin-funding-tezos-specialreport/special-report-backroom-battle-imperils-230-million-cryptocurrency-venture-idUSKBN1CN35K>

⁹⁴

<https://www.reuters.com/article/us-bitcoin-tezos-lawsuits-exclusive/exclusive-tezos-founders-push-for-legal-bailout-from-swiss-foundation-idUSKBN1DV4K0>

⁹⁵ <http://www.tezos.help/community-statement.html>

⁹⁶ <http://www.tezos.help/community-press-release.html>

⁹⁷ <http://www.tezos.help/community-statement-3.html>

This comprehensive review of Mr. Gevers' track record explains and justifies the concerns of the Tezos Community. It is not acceptable for Mr. Gevers to remain as head of the Tezos Foundation and to corrupt the good name of Zug from "Crypto Valley" into "Klepto Valley."