# Legal Entity Wrapper Comparison & Assessment

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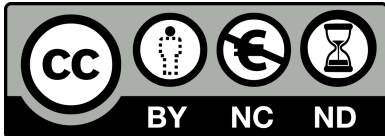
Why a Legal Entity?

Having a legal entity that represents the Decentralized Autonomous Organization ("DAO") in the "real world" is valuable for a number of reasons:

- It provides limited liability to DAO participants for the actions of the DAO or other members of the DAO. Without the shield of a legal entity, participants may be individually held liable for actions by the DAO as a whole.

- An entity can comply with jurisdictional taxation requirements and settlement of debt by fiat currencies. Without a legal entity, DAO participants may be held liable for a proportion of the DAO's income/profits, even if they did not receive or are not able to access these funds (*i.e.* pass-through taxation).

- An entity can enter into contracts with other entities and hold (virtual) assets (including intangible IP rights). Formal ownership can assert rights (enforceable in court) across multiple chains including the bifurcated BSN. However, the degree of legal capacity is moderated by the amount of compliance with external authority, from fully wrapped to market accepted practices (alegality).
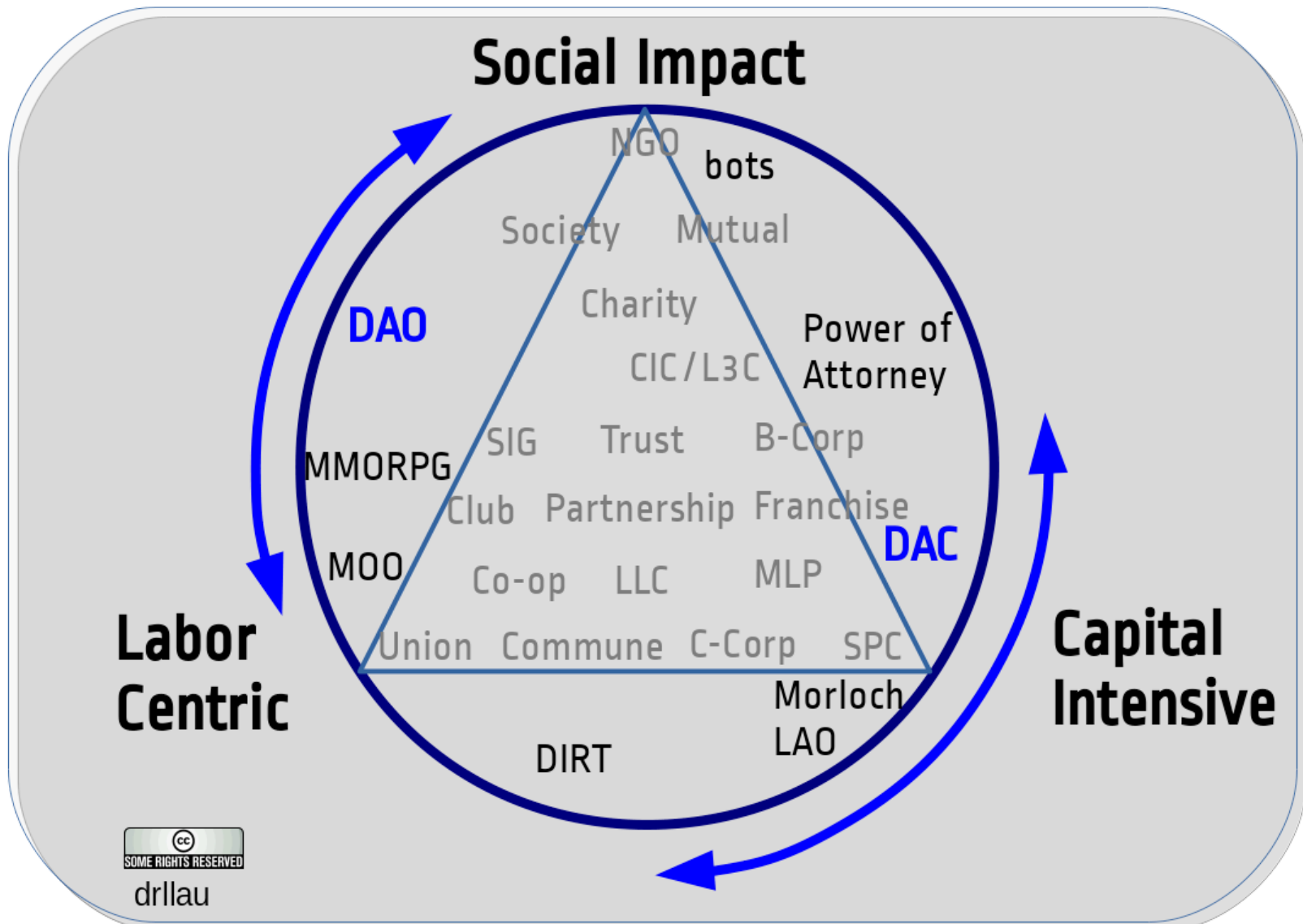
When looking to 'wrap' a DAO—or create a legal entity that is representative of the DAO or corresponds with it in some way—it should be done in a manner that reflects the DAO on-chain without creating any dissonance between the two. A legal wrapper is meant to represent legal personhood for the DAO. While on-chain governance processes and parameters direct the DAO's decisions, an entity is meant to harmonize the DAO's code realities with the legal personhood of a real-world entity. A legal entity would provide an identifiable, registered real-world entity to enter into legal agreements with other off-chain entities and persons, while maintaining a flat, faceless, structure while still properly reflecting the DAO's governance. Assuming the benefits of a legal entity will further the DAO's purpose, the question then becomes what type of entity should be formed and in what (multiple) jurisdiction.

Most, if not all, decentralized projects use some form of foundation as the vehicle to manage their treasury of native tokens and other digital assets and to extend grants to individuals or entities who help further their project's goals. When properly structured such foundations are maximally decentralized in their governance, with all decisions subject to an on-chain vote by token holders. Foundations can also be made "faceless" if formed without 'founders' and 'members,' which some jurisdictions such as the Cayman Islands allow, or "blind" trusts[1] which algorithmically execute without conflicts of interest or discrimination. With a faceless foundation structure, the 'director' executes the outcome of on-chain votes, and appointed treasurers are made responsible for all crypto transactions, typically from a multi-sig wallet. The result is a governance and treasury entity that can act as the steward for a collectively managed decentralized project. Some DAOs utilize an operation company to convert crypto to fiat to cover fiat expenses, which can allow the foundation to stay fully in crypto and avoid utilizing bank accounts. A discussion of various legal wrappers follows.

This document is meant to act as an ***overview of potential options*** for entity types and the jurisdictions where an entity would be registered. The options of not aligning the DAO with a legal entity; or conversely incorporating it into a 'stack' of several symbotic entities is also addressed. This discussion is by no means comprehensive and does not address more nuanced mechanics such as the DAO's current or putative on-chain governance mechanics and their integration with any potential entity. As discussed in Section VII., there are also a plethora of attendant issues to choosing an entity structure and jurisdiction such as token issuance, retention and

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[1] Investopedia [link]

payment of contractors, DAO members, provision of grants to outside individuals/entities, and the potential for future coordination with legacy entities.

Social Impact

NGO
bots
Society   Mutual
Charity
DAO
CIC/L3C   Power of Attorney
SIG   Trust   B-Corp
MMORPG
Club Partnership Franchise
DAC
MOO   Co-op   LLC   MLP
Labor Centric   Union Commune C-Corp SPC   Capital Intensive
Morloch
LAO
DIRT

What Are the Options?

At this moment, DAOs can functionally replicate any existing corporate form, from clubs (LexDAO an unincorporated, non-profit association) to mutuals (Nexus) to investment vehicles (Metacartel Ventures). However, without a legal entity shield, DAOs and their members are constrained in presumptive rules about tax status, overlapping claims as to substantive law (by person or transaction), and regulators agitating for debanking of anything they consider dubious (starting with crypto). The decision tree for DAOs might be initially considered as:

1. Non-profit, zero-profit, for-profit;
2. Governance - membership based, coop activity based or traditional capital weighted;
3. Decision to remain stateless, light touch (eg trust) or fully wrapped (eg C-corp);
4. Support for anonymity . . . remember some countries still heavily restrict cryptoassets;
5. Purpose for existence, which relates to pooled resources and labor, which dictates tokenomics.

I.   No Associated Legal Entity ("Wrap")

An analysis of an optimal legal entity for a DAO moving forward requires a discussion of continued operation without. It is generally understood that in today's legal landscape there are three components potential drawbacks in utilizing DAOs as an alternative to real-world legal entities:

Entrepreneurial Risks

Presently no jurisprudence that has emerged from a blockchain-specific cases where the issue of liability and risk, and how it is different for a non-chartered DAO structure from a traditional organization, has been addressed. The scope of founder liability has yet to be fully explored.

Limited Liability

In the present regulatory structure of most jurisdictions, it is not clear how DAOs—at least in the short term—could gain a limited liability shield for its members. If an organization has gone "DAO first," i.e. has not wrapped a corporate form around the DAO and/or positioned it within a legal stack, the members of that DAO are not insulated from liability the way they would be in a company, an LLC, or other structure where liability is limited to the entity itself, or capped in the case of limited by guarantee. Stated more simply, the shareholders of a corporation, the members of an LLC, and the partners in an LLP are only risking what they have contributed to said entity and the percentage of the entity's assets that their ownership stake entitles them to. Instead, existing corporate law presumes that what the members of said DAO have formed is a general partnership.

A general partnership is generally understood to have several drawbacks. Because a general partnership has no corporate form, its members are 'jointly and severally liable,' meaning they are 100% personally liable for all actions of the partnership and of the other general partners. Implications for joint and several liability meant that if a plaintiff sues the partnership and is successful in the suit, and if there aren't enough assets in the partnership to make the plaintiff whole, the plaintiff can recover against the assets of the partnership the assets of each partner because there is no corporate shield between the partners' assets and the partnership's assets. Additionally, if the plaintiff isn't able to equally recover from all of the partners, a court can allow the plaintiff to recover against one or some of the partners for the entire amount and leave it up to the individual partners to compensate each other proportionately internally.

As a hypothetical situation, assume a group of American citizens form a DAO including citizens from other jurisdictions, and an aggrieved third party who is an American citizen sues this DAO. The plaintiff would almost certainly sue the DAO in an American court; and, because the court would deem the DAO a general partnership, the plaintiff would likely not undertake the significant effort and expense of recovering against non-American members. Instead, this plaintiff would be able to recover against the prominent American members, and it would be the American members' responsibility to obtain contribution from the non-American members for their share of the damages. Given the size of DAOs and the inherent anonymity in their formation, such recovery could prove impossible for the

members who were forced to pay out by a court. That said, the same level of anonymity would make it difficult for DAO members to sue each other in any jurisdiction.

There are various actions that can be taken in an effort to protect individual members (*i.e.* the DAO is unincorporated but each core member has their own LLC that interacts with the DAO). Ultimately, these types of protections are workarounds and unlikely to be considered effective liability shields in the face of potential litigation. Some states such as China follow the forward disregard[2] rule in reaching through thinly capitalized moats or to actual controllers when there is insufficient separation of parties. Advice given in some common-law jurisdictions would have dire consequences in civil-law countries or be out-right illegal in others. Activities considered harmless in some places (investment tips to mates) might be torts in others (insider-trading) or require special licensing (securities promotion).This fear reduces the participation in purpose-driven DAOs which often have a social impact mission that traditional for-profit corporations fail to address[3].

Infrastructure

'Real world' infrastructure is still largely lacking to operate DAOs without the ability to take actions in the 'meatspace.' Depending on the DAO's mission, goals, and desire to scale, there may be, or need to be, significant reliance on components from the traditional world. This includes considerations such as email service, server space, fiat banking, and card payments (or fiat on/off-ramps). Without a corresponding legal entity, a DAO cannot sign contracts (or issue SAFTs for token issuance), pay out 3rd party suppliers off chain, manage IP, or hold assets. The weight of these considerations will vary depending on what the DAO does, or plans to do.

Taxation

Without a formal entity, the members of the DAO have no tax shield. That means, technically, presumption of a partnership where anyone who is involved in the DAO could be required to pay taxes on a proportionate share of the DAO's income, whether they receive any money themselves or not. Some speculate that the IRS's treatment of pass-through entities may serve as a model for any

[2] XBMA (2020) The Recent Judicial Development of "Piercing the Corporate Veil" in China [link]
[3] Justin Fox (2012). "The Social Responsibility of Business Is to Increase ... What Exactly?". Harvard Business Review [link]

future U.S. taxation of DAOs as an entity. A pass-through entity doesn't generally pay federal taxes at the entity level; rather its owners and/or members file 1040s and pay individual income taxes on their share of any profits. International taxation is a tangle of double-tax treaties, misclassification of tokens and tax events, and disregard of financial privacy combined with regulatory suspicion of money laundering.

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Examples of 'Fully Decentralized' DAOs

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A.   <u>Shapeshift</u>

ShapeShift's transition from corporate entity to fully decentralized DAO is a good example of an entity acting without a legal wrapper. Before decentralization, ShapeShiftAG operated as a self-regulated organization ("SRO") in Switzerland with offices in Colorado. Due to regulatory pressure and based on external and internal determinations that ShapeShift was acting as a financial intermediary/market maker, it put KYC/AML user requirements in place in 2018. In January 2021 ShapeShift removed the KYC requirements, utilizing DEXs such as Balancer and Uniswap and no longer acting as a 'counterparty.' ShapeShift's CEO Erik Voorhees clarified that even utilizing DEXs there was still regulatory pressure to comply with KYC and other requirements from various regulators. In July 2021 ShapeShift announced it was fully decentralizing and open-sourcing its code. In its decentralizing announcement, ShapeShift stated that *"it has become clear to us that decentralization is the only way to achieve borderless, immutable finance. Therefore, decentralizing ShapeShift is how we choose to maintain fidelity to the principles first established by Satoshi and the Bitcoin whitepaper."* Voorhees also noted that

> *you need to be prepared to shed any link with the real-world This means employees turn contractors and accept crypto for their efforts, all legal contracts are to be rescinded since there is no legal counterparty that can sign on behalf of the DAO, bank accounts (if ever you had any) in the name of your legal entity will be closed and the same for accounts with centralized exchanges. Office leases break and real-world expenses can only be reimbursed in crypto (and assumedly only after approval by an onchain vote amongst token holders). Basic stuff such as subscriptions to servers and software tools on which the DAO depends have to be paid by appointed agents who act on behalf of the DAO. Even email accounts become problematic.*

It is notable that ShapeShift's decentralization also announcement indicated that it "will establish a well-funded non-profit organization—a Foundation—with the narrow objective to promote and facilitate a transition to a completely decentralized, community-owned project. As sufficient decentralization is achieved, this Foundation has a mandate to dissolve away." Based on ShapeShift's Discord, the foundation is up and running as of December 2021. The scope of the ShapeShift Foundation's role is not clear. It has a separate treasury with 7.5% of Fox tokens (as opposed to the 24% held by the DAO treasury). In function the ShapeShift Foundation seems to be the type of legal entity mechanism necessary for the DAO to interact with outside contacts and ShapeShift may not ultimately dissolve the foundation as initially contemplated.

B. Synthetix

Synthetix (Haaven at the time) was founded in 2017 utilized a Swiss foundation to control the open source protocol and smart contracts. In 2019, Synthetix decentralized. In a recent interview with the Defiant, Synthetix founder Kain Warwick discussed his view that how DAO and smart contract infrastructure has evolved, a foundation would not be necessary. *"I think you can do a DAO first launch and come out of the gate very decentralized on different dimensions. You can choose which dimensions make sense, but a lot of the projects that I work with today, I say to them, you know, you don't need to do all of that stuff. The first18 months that Synthetix existed, where it was a not for profit foundation that was essentially managed, had employees, all that stuff. Get rid of all of that. Start from, I think for us, it was like July, 2020 when we got rid of the foundation and we were pure DAO, that's the optimal approach today. But you just couldn't do that back then."*

C. Yearn

Yearn is another example of a non-wrapped DAO. By its own definition, "*Yearn is not a corporation or a formal entity but a distributed collective of individuals passionate about decentralized finance and blockchain technology.*"

D. CowDAO/Gnosis

March 1, 2022, CowDAO submitted a Snapshot vote to adopt and implement a private ordering agreement ("Participation Agreement") among all DAO Participants to provide an operating framework for CowDAO and to govern the rights and obligations of each party. The motivation, as stated in the proposal, is that because the DAO is not wrapped in a legal entity, *"it is paramount to minimize the legal risks to CowDAO participants as much as possible while maintaining its decentralized nature."*

If approved, the participation agreement would generally:

- Explain the CowDAO's governance mechanism and determine who CowDAO participants are.
- Explain the contribution of GnosisDAO and its limitations.
- Provides a mutual release by DAO participants from claims arising out of or in connection with the CowDAO and a mutual waiver of claims against CowDAO and other DAO participants.
- Attempt to limit the liability of the CowDAO, GnosisDAO, the service providers, and the signers in relation to loss or damage arising under or in connection with the use of CowDAO smart contracts.
- Provide a complaints and dispute resolution procedure.

Rationale provided for the proposal and agreement addresses ongoing concern in the space that the relationship between members of a DAO and their investors is considered a general partnership by default, which may expose stakeholders to any liability the DAO may face.

> *No single party is in control of the CowDAO. It is managed by its members, and does not have any director or manager. While it is entirely up to CowDAO participants to decide to incorporate the DAO into a legal framework, at its onset, it is an unwrapped/unincorporated organization.*
>
> *The attempted shoehorning of DAOs by legal systems into existing categories such as unregistered organizations, unincorporated associations or general partnerships leads to concerns that DAO participants may be held liable for the actions of the DAO. While CowDAO Participants cannot dictate states and state*

regulators how to characterize CowDAO, participants can use whatever private law mechanism at disposal to frame the CowDAO as it is internally viewed and minimize legal risks as much as possible to CowDAO and CowDAO participants.

CowDAO was presumably prompted by GnosisDAO's earlier [proposal](#) for implementation of a substantially similar Participation Agreement intended to provide mutual release was [adopted](#) by GnosisDAO in June 2021 pursuant to [GIP10](#).

II.   Swiss Verein (Association)

An association legal structure in Swiss law, is like the Anglo-American voluntary association—better known as a "club." Associations have separate legal personality, just like companies or foundations. As long as the Association is non-profit, there is no filing requirement in Switzerland (though an Association must be registered if it conducts a commercial operation). In practice, this means it can be willed into life via a simple written agreement, which in the case of a DAO includes a smart contract. Its members can be individuals or legal entities, and their liability as members is limited. As noted above, its pursuit must be "non-economic," which traditionally has made the Association the entity of choice for non-profit organizations or non-governmental organizations such as Amnesty International and the World Wildlife Fund, or international organizations such as FIFA, the International Football Association. However, it has also emerged as the entity of choice for business organizations, such as legal services firms (*e.g.* Baker & MacKenzie, DLA Piper, Norton Rose, Denton) which consist of a number of independent offices, each of which has limited liability *vis-à-vis* the others. This way, the association members can operate globally under one brand whilst maintaining separate profit pools and ring-fencing liability in each country in which they operate. Doing so does not bring the Members themselves within Swiss regulations: since control of the Association is decentralized, Members are only bound by regulators in their country.

A notable crypto-based verein is Diem (formerly Libra). In the case of Diem, each validator is a member. For a DAO like AP, individual members of the DAO would be members of the association. While this structure provides some liability protections amongst members, the association itself does not act as a shield and members of AP would not receive any liability shielding beyond taking the

extra step to incorporate a business entity in their home jurisdiction to act as a member of the association, as with the case of Diem validators or local law firm branches of Dentons or others.

The Swiss legal services firm MME recently issued Model Articles of Association[4] for what it terms the "Decentralized Autonomous Association" ("DAA"), together with accompany code[5] by Validity Labs with the aim to smart-contractify part of the DAA's governance. The DAA starts from a Swiss civil law association and adds a decentralized smart contract layer to replace the centralized governance process. A Swiss association consists of a community of members in which each member has one vote, which is not capital driven. The Swiss association also gives liability protection. The association's assets are exclusively liable for the association's debts unless the statutes provide for personal liability or an obligation of association members to make additional contributions. In other words, no member can be called upon to cover association debts unless the statutes provide otherwise.

Structurally, the 'Assembly of Members' would retain the core powers which are enshrined in Swiss law (such as the change of statutes, the liquidation of the association, and others). These powers protect the Members' essential participation rights which cannot be structured away and on which an Association's democratic nature is based. As a result, the Assembly would be the "highest governing body" of the Association (Article 8 of the MME Model Articles). As a result of the use of smart contracts, most of the Assembly's powers can be expressed as code; however, a Board is required to interact with the real world. Provided the articles are drafted inclusively, they provide a participation mechanism for geographically dispersed blockchain projects, with the Swiss structure providing a limited liability wrapper around a common goal. This common goal can be political, scientific, artistic, religious or any other non-economic purpose. If so, there is no need to register an Association in the Swiss registry of commerce. The only requirement is that prior to its establishment, two persons draw up bylaws and appoint the bodies of their Association.

In this context, the use of an Association as a way to share resources has a number of clear benefits:

No Partnership, Agency, Liability, or Control

An Association allows for multiple core units to operate as independent and fully autonomous entities: their membership of an Association does not make the DAOs "partners" in a unified partnership and as members, the DAOs are not legal partners with each

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[4] https://otonomos.docsend.com/view/8gg5nqxpv55tx3kw
[5] https://github.com/validitylabs/daa

other. In addition, core units cannot act as agent of the Association or any other member DAO, cannot obligate the Association or any other DAO, and each DAO is liable only for its own acts or omissions (to the extent such liability could be attributed to it) - and not those of the Association or any other member. Conversely, the Association cannot act as an agent of any of its member DAOs, does not in any way manage or control any member DAO, cannot obligate any member DAO and is liable only for its own acts or omissions.

Territorial Links

While the Association is required to comply with Swiss law, none of its members are subject to Swiss law (unless they could independently be found to operate from Switzerland or otherwise be subject to Swiss law as a result of their own operations). Conversely, the Association is not subject to any of the laws its members could be found to operate under.

Location of DAO Members

An Association is indifferent about what legal structure its members adapt so. It can accommodate individuals, corporates or partnerships, each with or without limited liability in whichever territory they operate. [Need to further research requirements for membership commonality].

Unified Representation Without Local Compliance

Despite the different nature and geography of its constituent members, an Association can represent itself internationally as a single organization, without complying with the regulations and tax codes of each country in which it operates.

Tax and Securities Laws

As a result of the above, the Association also does not have to file multiple tax returns. It only pays tax in Switzerland and Associations with charitable or other public non-profit objectives may apply for an exemption from Swiss income and capital taxes under

certain conditions. An Association would also not be subject to the SEC in the U.S. or similar bodies in other countries even if some of its members could be seen to operate there.

No Sharing of Revenues or Pooling of Profits

Finally, the Association does not share in the revenues of its members and there is no pooling of profits at the Association level.

The above characteristics allow for an Association to be the face of a decentralized project without being dragged into each of the jurisdictions its members may be found to operate in. This can be useful for marketing and community relationship purposes, but also helps the member DAOs overcome three major pain points:

Fiat banking: As things stand, DAOs can't get fiat banking however their Association could provide banking and payment services to its DAO Members. Banks will open an account for an Association on the basis of who its Directors are, but without the requirements to KYC each of its members, the same way your sports club has banking relationships without asking you as member to pass DD with its bank. The same analysis applies to accounts with centralized exchanges which are denied to DAOs as result of their lack of legal persona.

Employment agreements: Associations have separate legal persona hence they can enter and sign contracts in their name. This could include arrangements with e.g. innovative employment platforms such as remote.com that would allow its member DAOs to indirectly employ contributors under a traditional employment contract, removing another key obstacle for DAOs to operate in the "real world".

Mergers: In traditional finance, associations have become a preferred vehicle for mergers, primarily because many issues that plague corporate mergers, such as due diligence issues, differences in profitability and compensation schemes etc. are not present in a Swiss Verein. It is difficult to imagine how two blockchains or decentralized projects, from the way they are currently governed, could be

merged. However, given the myriad of projects, mergers at some point are probably inevitable. An Association structure should help such fusion between two communities and cultures whilst maintaining a decentralized governance structure.

Limitations of the Swiss Association

There are some [downsides to using the Swiss legal structure](#), namely that decentralization is more challenging to achieve. The DAA smart contract has no token and is simply a membership directory. It looks like a traditional association model with one member and one vote. As mentioned above, the association must be a nonprofit for an easy setup.

Not-for-profit: Associations can be for profit however such associations need to register with the commercial registry in Switzerland. There is ample caselaw delineating not-for-profit and for-profit activities however it is unclear how this would be applied to the Treasury activities of an Association with DAO Members. For instance, could a significant windfall from the appreciation in price of a project's token be seen as a for-profit activity? Most likely not, since Associations are allowed to make money, but not as their purpose. But how about yield farming with its Treasury? Only time will tell.

No profit distribution: What an Association can't do is distribute income to its members, which sets it apart from a Partnership or a company paying dividends but cost shifting between countries can optimize cashflow. However, for the "docking station" use case (article discussing an Association as a docking station for other DAO related entities), there is no need to distribute income at the Association level, and Associations can still make grants to Members (or anybody else who helps further its objective) out of its own resources. The latter could provide a mechanism for DAOs to pledge some of their respective treasury to the Association and together vote on grants for initiatives that further the ecosystem as a whole, including grants that can be converted into fiat at the   Association level to pay for more traditional efforts e.g lobbying campaigns.

Swiss law: Finally, Swiss law is heavily statute-driven and is seen by many common law practitioners as overly prescriptive and rigid. Language too may be an obstacle though an Association's statutes can allow for English to the exclusion of any official Swiss language.

III.   Cayman Foundation Company

A foundation company is a body corporate with a legal personality distinct from its members, directors and other connected persons. As foundation companies are governed by the Companies Act (Revised), except where it is inconsistent with the Foundation Company Act, 2017, they benefit from an extensive body of case law and are well recognized in other jurisdictions.

Unless varied by the constitution, duties are owed only to the foundation company itself and rights are enforceable only against the foundation company. This can make foundation companies well suited to holding higher risk investments because beneficiaries do not have direct rights of action against the entity (i.e. beneficiaries can't sue the DAO)

Tax Treatment: A foundation company is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Members or beneficiaries of a foundation company will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to their interests, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

In addition, a foundation company, which is incorporated as an exempted company, may apply for an undertaking that any law change to introduce taxes in the Cayman Islands will not apply for a period of up to 50 years from the date of approval of the application.

- A Cayman Foundation can be memberless and doesn't actually need individual or corporate members. It permits beneficiaries to be identified merely by a class of persons (*e.g.,* AP DAO members). There are no shareholders and directors can simply act on the direction of the DAO. This is ideal for a non-hierarchical organization.
- Can also be made "faceless" if formed without Founders and Members, which some jurisdictions such as the Cayman Islands allow. In such faceless setup, the Director merely executes the outcome of onchain votes, and appointed Treasurers are made responsible for all crypto transactions, typically from a multi-sig wallet.
- It also allows for modification of operations and delegation of powers in the bylaws.
- If exempted, Cayman Foundations are tax-free at the entity level. This is good for reducing friction and sort of other overhead costs, lessening complications in general.
- It is a familiar offshore jurisdiction for legacy companies.
- It has a VASP in place that is permissive towards digital assets.

- The entity can have any legal purpose - commercial, charitable, private or any combination.

- The memorandum and articles of association are extremely flexible in the governance structures permitted and indeed may (subject to some limitations) mirror the DAO governance.

- Some DAOs utilizing a Cayman Foundation wrapper have the DAO as a single member and separate treasuries and assets (a 'partial wrapper'), other DAOs utilize a 'full wrapper' where the Foundation entity directly corresponds to the DAO and there is no separate off-chain treasury or account of the Foundation, and each member of the DAO is a beneficiary of the Foundation.

- Various iterations with separate "DA" "Developmental Agency" as Supervisor to create additional layers of protection.

IV. New Zealand Blind Trust

Due to long history of estate ownership from UK and remote management of assets, NZ has developed a robust body of trust law with unparalleled flexibility[6].

The recent NZ-UK Free Trade Agreement promises not to require specific types of corporate forms, doesn't obligate a physical presence to deliver professional services, nor force the transfer of encryption keys (subject to competent authority). The recent legislative overhaul[7]:

- added protective mechanisms like information rights,

- extended maximum life to 125 years,

- provided for delegation of powers (eg investment manager).

A case study of the advantages of relocation can be seen in the example of DASH altcoin's Dash Trust.

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[6] Geoffrey Cone (2010) Common law trusts by persons based in civil law jurisdictions: does New Zealand offer a solution?
[7] Ayleath Foote (2019) A new Trusts Act for New Zealand.

V.   U.S. Entities

<u>Wyoming DAO LLC</u>

As of April 2020, Wyoming recognizes decentralized autonomous organizations ("DAOs") as limited liability companies pursuant to an amendment to the current Wyoming Limited Liability Company Act. Under the provisions of the Act, a DAO is defined as a limited liability company whose articles of incorporation include a statement that the company is a DAO.[17] Concerning decision-making in a DAO, the notion of a majority of members is also concretized. Namely as the approval of more than fifty percent (50%) of the participating member interests in a vote in which a quorum of 4 members participates.[18] It is also interesting to note that a membership interest is determined as a member's ownership share in a member-led decentralized autonomous organization, which may be defined in the entity's charter, smart contract, or operating agreement.[19] The use of the term "ownership share" indicates a corporate reference and thus also suggests a classification as a security, even though this is not explicitly addressed in the bill. The second part then determines the scope of application of the Wyoming Limited Liability Company Act to DAOs. In addition to a new formation, an existing LLC may also be converted into a DAO by amending its articles of organization to include the same statement. The DAO's registered name would also have to include the appropriate designation, such as "DAO," "LAO" (Limited Liability Autonomous Organization), or "DAO LLC".[20] Also, all DAOs must have a disclaimer in their articles of incorporation that the rights within this form of organization may differ materially from the rights in traditional LLCs, particularly for membership rights.[21] The articles of organization filed with the Secretary of State for registration must also describe the structure of the DAO as either a member-managed DAO or an algorithmically managed DAO.[22] If this is not specified, it is assumed to be a member-managed DAO.[23] This shows that the Wyoming legislature also distinguishes between different levels of automation of DAOs and their design.[24] In addition, it specifies that an algorithmically managed DAO may only be formed "if the underlying smart contracts can be updated, modified, or otherwise upgraded".[25] This is presumably intended to guarantee the controllability of DAOs in light of future technological advances.[26]

For the DAO formation process, the law states that any person may form a decentralized autonomous organization, which shall have one or more members, by signing and submitting an original and an exact or adapted copy of the articles of incorporation to the

Secretary of State for filing.[27] Each DAO must have and continuously maintain a registered agent in this state of Wyoming, as also provided in the Wyoming Company Act.[28] In addition to the requirements above, the articles of incorporation must include a publicly available identifier of each smart contract used directly to manage, facilitate, or operate the DAO.[29] A DAO may be established and operated for any lawful purpose, regardless of whether it is for profit. [30] Moreover, it specifies what, at a minimum, must be regulated in the DAO's bylaws, namely the relationships among its members and between the members and the DAO as a society itself. While this formal legal framework is a step for the crypto industry and solves the problem of member liability, the new law does not address other fundamental issues. It is unclear whether DAO members are granted the right to act on behalf of the DAO and legally bind it; rather, it requires that this be clarified in the bylaws. Concerning necessary legal certainty, a statutory regulation would be desirable, at least for those cases in which this is unclear. It is also not clear who is responsible for updating the underlying smart contracts in the case of algorithmically managed DAOs.

Finally, fundamental questions regarding the regulatory classification of DAOs and DAO Tokens are unclear. First, depending on its activity, a DAO could be considered an "investment company" within the meaning of Section 3(a) of the Investment Company Act of 1940 ("Investment Company Act") and would then have to comply with the disclosure requirements and investment restrictions set forth therein. In the case of The DAO, the Securities and Exchange Commission (SEC) intentionally left this open because The DAO had not yet begun funding projects, but specifically noted the possibility. "This report does not analyze the question whether The DAO was an "investment company," as defined under Section 3(a) of the Investment Company Act of 1940 ("Investment Company Act"), in part, because The DAO never commenced its business operations funding projects. Those who would use virtual organizations should consider their obligations under the Investment Company Act." [31]

While it is encouraging to see states recognize the economic and cultural value of DAOs through legislation, and most DAOs would benefit from the protection of a legal entity U.S. DAO LLC laws impose additional burdens on DAOs without conferring any real benefits in exchange. Additionally, all three statutes suffer design flaws that presumably stem from a fundamental misunderstanding of blockchain technology and how DAOs really function. *See Starting a DAO in the USA? Steer Clear of DAO Legislation*

Investment Clubs

Investment clubs are a well-established way for people to share investment risk as well as ideas and market strategy and seem to blend well with the DAO governance structure for certain purposes. Often they are semi-informal groups that don't charge members for participating. The group manages the investment collectively, like a club. The SEC generally does not regulate investment clubs. But since each investment club is unique, each club will need to decide if it has any SEC registration requirements. In some instances membership interests in the investment club may be securities under the Securities Act of 1933 (Securities Act) and the SEC may regulate the offer and sale of those membership interests if membership interests are considered securities. In addition to the SEC's federal requirements, there are state securities laws and requirements that may differ depending on where the club is incorporated/registered (investment clubs are registered as Delaware corporations or LLCs). In other instances an investment club may be an investment company under the Investment Company Act of 1940 (1940 Act). Since the Securities Act requires the registration of the offer and sale of most securities, the investment club must first decide if its membership interests are "securities." Generally, a membership interest is a security if it is an "investment contract." A membership interest is an investment contract if members invest and expect to make a profit from the *efforts of others*. If every member in an investment club actively helps decide what investments to make, the membership interests in the club would probably not be considered securities. If the club has one or more passive members (*i.e.* not participating in voting and investment selection), it may be determined the club is issuing securities via membership interest. In the context of a DAO, if each member of the club participates in governance decisions the shares of the club should, ideally, not be considered securities. One consideration for DAOs with members who are accredited investors is that potential investments are limited by U.S. accredited investor. In other words, a non-accredited investor that is a member of an investment club cannot invest in private equity they would otherwise be precluded from investing in, and by implication the entire club is precluded. Syndicate recently began providing dashboards and other packages that allows anyone to create and manage an investment club on Ethereum. Syndicate itself is a decentralized investing protocol and social network building Web3-native tools to create and manage Investing DAOs.

U.S. Unincorporated Nonprofit Association ("UNA")

When two or more people come together to work toward a common goal, an unincorporated association is formed. If the common goal is to earn a profit, then a partnership or joint venture has been formed. However, if the common goal is to accomplish a social or public good or service, then the group is considered to be an unincorporated nonprofit association. No legal paper is required to be drafted or filed; hence, "unincorporated." The UNA is the U.S. analog of the Swiss Association. Because the association is 'unincorporated,' unlike a Swiss Association, it does not have the same fictional legal personhood. This includes limitations on liability, the ability to enter into contracts, hold property, etc. As a result of the lack of legal protection and the confusion over how to treat unincorporated nonprofit associations, UUNAA was created to provide some advantages and regulations. These include:

- The ability to sue and be sued as separate legal entities.
- Legal capacity to receive, possess, distribute, or transfer property.
- Limited liability for tort and contract claims.
- In the event of dissolution or inactivity, there is a system for disposal of the association's assets.
- An association can appoint or designate a person as its agent to receive all legal notices, demands, and service of process.

To date there have been ten U.S. jurisdictions that have adopted UUNAA: Alabama, Arkansas, Colorado, Delaware, Hawaii, Idaho, Texas, West Virginia, Wisconsin, Wyoming, and the District of Columbia. So, if you form an unincorporated nonprofit association in one of these states, your association can be treated as a separate legal entity immediately (if conditions satisfied) with deferred filing.

As noted above, Colorado is one of a few states to have adopted the Uniform Limited Cooperative Association Act ("ULCAA"). Title 7, Article 58, contains the Colorado Limited Cooperative Association Act ("LCA"), which was passed in 2010. Variations have also

been adopted in states such as <u>Minnesota</u> and <u>Wisconsin</u>. In some ways, California's recently adopted <u>Worker Cooperative Act</u> (AB 816) drew from ULCAA to create greater flexibility and the ability to raise outside investment capital. ULCAA retains central cooperative principles and "guard rails" but permits outside "investor-members" to have limited voting rights and a share of revenue or profits. Until recently, these two features were largely viewed as anathema to cooperative self-ownership and sovereignty. Decades in which cooperatives have struggled to grow, scale up and raise equity investment capital gave rise to a new, more flexible cooperative form, the LCA. The LCA is a hybrid entity, pairing the features and controls of more traditional corporate governance with the flexibility of an unincorporated entity, like an LLC or a limited liability partnership.

The most recent and helpful update to the cooperative model, especially for DAOs, is the limited cooperative association (LCA). The LCA is a hybrid between a limited liability company (LLC) and a corporation. It is an entity built on the law of unincorporated entities. Like LLCs, it allows for investor members, returns on investment to patrons and non-patrons, and voting rights for investors, while adhering to cooperative principles. Where it differs from an LLC is in the distribution of financial returns based on patronage activity, voting based on membership (one-member, one vote) or based on patronage, which allows for the integration of DAO based governance principles, such as <u>rage quitting</u> and <u>quadratic voting</u>.

Case Study The Colorado DAO Co-Op

And, just as startups from all over the world choose Delaware as their preferred jurisdiction for incorporation or formation, the same will be true for DAOs and [Colorado's adoption](#) of the ULCAA. You do not need to reside in Colorado, or even the United States, to form a Colorado LCA, making it even more appropriate for global decentralized networks.The Colorado cooperative statutes can be used in any industry, and groups have been formed in industries from retail to housing, construction to craft beer, and many others. Colorado DAO co-ops, in the form of LCAs, already exist for freelancers, NFT holders, environmental incubators and other worker and project-based initiatives.The principles of the CULCAA overlap meaningfully with those of DAOs:

- They take the original Rochdale Principles (listed above) and apply them to modern affinity networks with a permissioned set of rules.
- They are built on democratic voting principles.
- They bestow limited liability to their members, promoting the use of the organization's resources.
- They have the ability to embed autonomous governance traits into their governance documents.
- They have the ability to raise patron-member capital and issue digital tokens as a unit of account tied to patronage with built-in limited exemptions from state and federal securities registration.
- And, critically, DAO governance protocols can be architected into a cooperative's bylaws, allowing token-based quorum voting, holographic consensus, a permissioned relative majority (Moloch DAOs), or conviction voting. In fact, decision-making can and does occur both on and off-chain, with "major decisions" recorded or simply memorialized on-chain.

Tennessee LLC

https://www.nashvillescene.com/news/pithinthewind/tennessee-becomes-second-state-to-pass-dao-legislation/article_ecbd4cbe-b5e2-11ec-abe0-77a2385be512.html

VI.   Republic of the Marshall Islands ("RMI")

The island state has been actively exploring use cases for digital assets since at least 2018. RMI recently amended its Non-Profit Entities Act. The amendment essentially grants DAOs the same privileges as limited liability corporations, allowing them corporate personhood and the ability to hold real estate, done through a modification to the nation's Non-Profit Entity Act. The government has stated that the amendment is meant to provide the lowest cost for incorporation, a supportive government that has internationally recognized courts, and a receptive environment to technological advancements.

Shipyard Software was the first entity to take advantage of the amendment and incorporated the country's first DAO, Admiralty LLC. MIDAO Directory Services Inc. the entity that facilitated the structure's registration is a RMI domestic organization that was created in order to facilitate the registration of DAOs in the Marshall Islands. RMI believes it is uniquely situated against competitor nations as the most ideal place for DAO registries.

- RMI is a sovereign, internationally-recognized state. It has full sovereignty on the international stage, unlike Wyoming, which is subject to the federal laws of the U.S. The Caymans and Switzerland have made headway in recognizing cryptocurrency and blockchain companies, but do not have specific carve-outs for DAOs in their laws;

- RMI has strong, respected judicial Institutions.

- RMI is a stable jurisdiction. As a Freely Associated State with the US, the RMI benefits from US institutions. The Department of the Interior, the US Postal Services, Federal Emergency Management Agency (FEMA), Federal Aviation Administration (FAA), and the US Military provide services to the RMI as if it were part of the US.

- RMI entities have access to US-aligned banking and financial systems.

- Crucially, RMI strongly supports innovation. The RMI government is dedicated to fast-moving, adaptable legislative processes that can keep up with evolving markets. Just as the state of Delaware has become synonymous with incorporation within the U.S. the RMI aims to become the de facto choice for DAOs interested in legally registering their organization and officially taking their rightful place within the current global legal system. *"Decentralized autonomous organizations present an enormous opportunity for people to organize in a more efficient and less hierarchical manner. We in the Marshall Islands recognize this unique moment to lead in this critical space."* (Bobby Muller, former RMI Chief Secretary, President & Co-Founder of MIDAO).

- RMI law now enables DAOs to incorporate as nonprofit LLCs with bylaws and membership that can be recorded on the blockchain.

- The RMI's track record of regulatory compliance and fair legal adjudication is recognized worldwide, and the country is well-positioned to become a leading domicile for DAOs in the world. RMI's success in maritime entity registration highlights its capabilities and advantages, and proves it is capable of meeting the unique needs of specialized entities at

scale. If 20% of the world's shipping capacity has chosen to register with the RMI, there is reason to believe this nation can also become the preferred global domicile for DAOs.

VII.   Guernsey & Jersey Purpose Trusts

A trust is a legal and equitable relationship pursuant to which a person, called a trustee, is required to hold and manage property in the best interests of another person or other persons, called beneficiaries.A trust is created when the legal ownership of property is transferred to or vested in a trustee who thereafter is required by law to manage and administer the property for the benefit of beneficiaries, or for the furtherance of certain purposes. The beneficiaries of the trust collectively hold beneficial title to the trust property. This permits the beneficiaries to enforce trust obligations through the courts if necessary. Where a trust is for purposes and thus has no ascertained beneficiaries it must have an "enforcer" who is a person empowered to enforce the trust obligations through the courts if necessary. The trust relationship is generally intended for the safekeeping, management and eventual disposal of property.

Guernsey is a leading jurisdiction for the establishment and management of trusts. The Island has a large and well qualified professional trust sector, modern trusts legislation and an effective judicial system. It is also recognised as being in the top division of international finance centers in the regulation and supervision of its financial services industry. The Island offers fiscal neutrality for trusts established for non-Guernsey resident beneficiaries.

The dYdX Foundation is [introducing a framework for the creation of a Guernsey purpose trust](the "Purpose Trust"). This trust structure presents a potential solution for several issues decentralized autonomous organizations ("DAOs") face by (1) limiting liability for DAO and DAO committee participants; 2) enabling DAOs to engage in off-chain activities; and (3) clarifying the existence, or lack thereof, of any United States tax payment and reporting obligations. Further, the creation of the Purpose Trust under Guernsey law specifically creates additional benefits that may not exist for trusts in other jurisdictions: flexible trust requirements and favorable rates of taxation. The Purpose Trust was contemplated in the context of a DAO's grants program but could be adopted by other subDAOs and potentially DAOs.The Purpose Trust likely will be a suitable structure for funds transferred from DAO community treasuries that are

earmarked for the given protocol's growth and development. The goal of making this framework public is to provide DAOs with a starting point to evaluate the applicability of the Purpose Trust for their operations, allowing them to focus on building protocols and ecosystems rather than searching for an efficient operating structure. Although DAOs will still need assistance from legal counsel, this framework seeks to significantly reduce the time and cost associated with engaging legal counsel to evaluate the viability of a similar structure.

VIII.   The Legal "Stack"

Case Study 1: OtoCo DAO = Cayman Foundation + BVI Corporation

Some DAOs operate with a combination of the entities discussed above and in the comparison chart at the end of this document. Otoco DAO is an example of such a 'stack.' The OtoCo legal stack is built around a faceless Cayman Foundation and designed to put a mechanism in place that can transmit the wishes of the community of token holders into accountable action by legal entities that can operate and contract in the real-world, with legal validity and under the protection of limited liability. At the origin of all decision making is the community of OTOCO token holders who vote on-chain on Proposals according to the governance protocol of the OtoCo DAO.This protocol is in essence a suite of smart contracts that govern how Proposals can be tabled, how voting takes place, the majorities required, etc. A diagram of the stack is shown below.
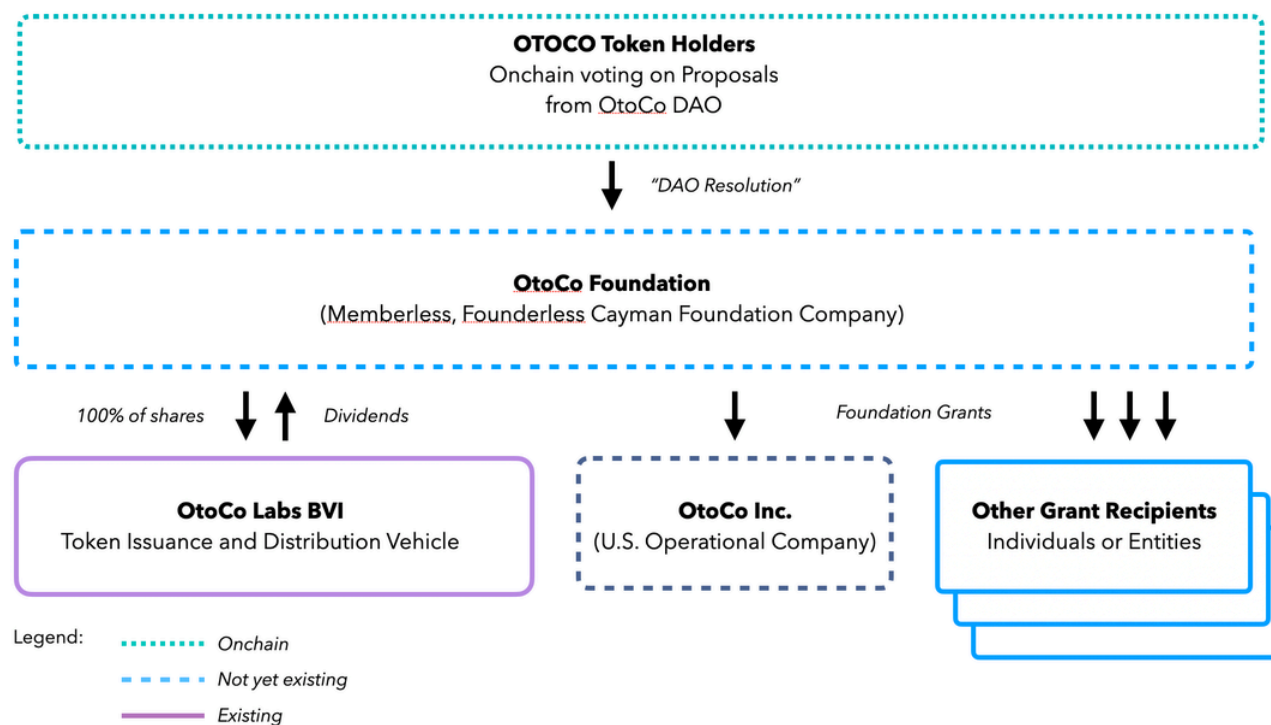
The Foundation entity passes on DAO decisions for further execution. Transmission from the DAO to the Foundation is done pursuant to special resolution[8] of the foundation which operates as a mandate given by the token holders to the Foundation's Director(s) to execute the DAO Resolution. The special Director resolution in turn refers to the Foundation's Bylaws.[9] The Bylaws in turn refer to the Foundation's Memorandum[10] and Articles of Association.[11] The Foundation's initial Director for a two-year period is OtoCo Labs Ltd.,[12] a BVI corporation created to issue the DAO's token that will be held by the Foundation treasury and issued to putative token holders. At the expiration of the two-year period, DAO members will be subsequently elected as board members to direct

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[8] https://docs.google.com/document/d/16TxHGvOrucmvWmT9ZFQyr3pbh9RV5W7nClBtUgjx-z4/edit

[9] https://docs.google.com/document/d/1IO3tfq8EDZiNzXD8AXyAjfkJTCG87e4ehWP8NYnwK4A/edit

[10] https://docs.google.com/document/d/1IO3tfq8EDZiNzXD8AXyAjfkJTCG87e4ehWP8NYnwK4A/edit

[11] https://docs.google.com/document/d/1ziGbEie7uLCTstTEbs4J75XJBHzK-cNZR4Ff20RMaAM/edit

[12] https://otonomos.docsend.com/view/59tjj3qbu6ze53tp

the entities. The article discussing the stack goes into more depth with actual voting and election mechanisms.[13] OtoCo also envisions the potential for partnerships with legacy U.S. entities, thus investors to take equity in return for funding in OtoCo Inc., the U.S. operational C-Corp. In addition to decentralizing its web3 infrastructure business, OtoCo is "an experiment in how a community-owned project can be managed and hopefully thrive under the full scrutiny and with full accountability vis-a-vis its token holders and traditional stockholders alike." OtoCo's goal is to "develop a standard for the open company of the future, and expect[s] that many of the tools [it] will need for OtoCo's governance will meet a demand from other blockchain projects too." Ultimately, the legal stack may be unnecessary for AP's purposes, but it provides a stark contrast and counter-view to operating a DAO without any legal wrapper.

Case Study 2: DASH altcoin = restructure NZ Trust + US C-Corp

DASH faced a dilemma in . . .

Case Study 3: Nexus Mutual = resettle UK Mutual Ltd -> Panama Foundation

. . .

IV.   Wrapping Tools

A.   Kali

Open-sourced tools from @_KaliDAO and @lex_DAO to create:
- Delaware and Wyoming DAO LLC
- U.S. Non-profit Association ("UNA")
- U.S. Investment Club (forked from_@VENTURE_DAO)
- Swiss Association ("Verein")

B.   Syndicate

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[13] https://otonomos.substack.com/p/the-otoco-foundation-a-decentralized

Syndicate's first product is Web3 Investment Clubs, which allow anyone to create and manage an investment club on Ethereum.Syndicate hosts a full suite of DAO tools for Web3 communities to invest and allocate capital in Web3-native ways. The entities:

- Are run as DAOs on Ethereum with a wallet (Metamask, Gnosis) and Syndicate's smart contracts.
- Syndicate's smart contracts automate management of deposits, cap tables, reporting, distributions, and more.
- Provide optional legal infrastructure enables legal entity creation for off-chain investments and supporting compliance.
- Composable.
- U.S. Delaware standalone or parent series LLC currently supported.

C.   Otoco

Real-world entity formation and DAO tooling dashboard allowing onchain entity formation for Delaware or Wyoming LLC. Includes dashboard and Gnosis SAFE integrations.

D.   Otonomos

Otonomos assembles off-chain and on-chain entities around the world (fiat and crypto payment). Jurisdictions include:

- Bahamas IBC
- BVI Limited Company
- Canada Limited Partnership
- Cayman Islands Foundation
- ELCHong Kong Limited Company
- Panama Foundation
- Panama IBC
- Singapore Limited Company
- Switzerland GmbH (Zug)
- Switzerland Foundation

27

- UK Limited Partnership

- US - Delaware LLC

- US - Delaware C-Corp

- US - Wyoming LLC

DAO Legal Entity Wrapper Comparison Chart

JDX/Structure	Liability	Taxation	Initial/Ongoing Costs[14]	Similar Entities	TLDR Pros/Cons
No Entity/Wrapper	● Entity defaults to general partnership structure with no liability protection to DAO members.	● Pass-through to DAO members.	● N/A	● [ShapeShift] ● Synthetix (2019/20) ● Yearn ● CowDAO	● No jurisdictional ties beyond member surface area. ● Potential member liability issues. ● Difficult to contract with other entities.
Cayman Foundation	● Entity shielded from claims by beneficiary class (DAO members/token holders) and beneficiary class shielded from personal liability.	● A Cayman Foundation will be exempt from any Cayman Islands income tax or capital gains tax and is able to obtain a tax undertaking certificate from the Cayman Islands government guaranteeing no change to its tax status for a period of up to 50 years from the date of the undertaking.	**API3:** ● $7k-$12k for the initial setup and ● $4k-$8k for annual maintenance items, **ENS:** ● Registered Office & Secretary Services: $10,000 USD p/a ● Supervisory Services: $30,000 USD p/a	● **API3** (full wrapper) ● **ENS** (instructive wrapper) ● Otonomos's OtoCo Foundation (instructive wrapper in legal stack)	● VASP[15] regime set and forgiving. ● Offshore[16] ● Bylaws not required to be filed and can be easily modified. ● Constitution/bylaws drafted to effectuate DAO consensus.

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[14]Costs not referencing information from other DAOs is utilizing Otonomos assembly and pricing for prepackaged entity setup services. (See https://otonomos.com/)

[15]Virtual Asset Service Provider (VASP).

[16]Offshore" and "onshore" refer to jurisdictions that are or are not tax neutral, respectively. 'Onshore" entities will have their own taxes to pay, in addition to any taxes paid by members.

			● Agent for service of process: $1,200 USD p/a ● Companies Register Fees: $850 USD p/a **Otonomos:** ● $9,000 - $20,000 for similar items listed above.		
Panama Foundation	● Liability protections for members.	● No VASP regime (i.e. could change later). ● Sometimes considered a questionable jdx and may look like 'tax avoidance' for DAO. ● Not as known to legacy entities as Cayman.	● $3,300 – $9,000	Nexus Mutual (unwrapped)	● The Panama Foundation competes with the Cayman one in providing an optimized, flexible vehicle for asset holdings and grant distributions.
NZ Blind Trust	● Anonymous token holders as beneficial class	● No capital gains tax regime ● Single Financial Market Authority		DASH altcoin	● NZ highly rated for business transparency and long history of remote assets held by UK estates
BVI Limited Company	● Liability protections for members.		● ~$1,500		● Implementing VASP regime in the near future. Likely stringent. ● Often used for token-issuance entities.
Swiss Foundation	● Good protections but strictly regulated	● May need to pay taxes on initial treasury transfer.	● Setup and maintenance $10k - $80k Range	● MakerDAO ● Ethereum ● Cardano	● Onshore ● Expensive ● Can be transitioned to Swiss Association (but not vice versa)

Swiss Association (Verein)	• Limited liability for members vis-à-vis the members. • No individual shield unless the member has its own corporate shield.	• Swiss Associations with charitable or other public non-profit objectives may apply for an exemption from income and capital taxes under certain conditions.	• ~$6k	• Diem (formerly Libra)	• Onshore • Nonprofit requirement • Any bylaws or other procedural documents that typically complement the status of a real-world association would take the form of on chain proposals voted on by its DAO members. • 'Docking station' for multiple DAOs/entities potentially. • Potentially more useful for associations of entities vs. individuals due to lack of individual liability shield from entity.
Singapore	• Standard liability protection and corporate veil for members, shareholders, etc.			Collectibles	• Onshore • Recent regulatory issues make it less appealing.[17]
US Corporate LLC/S-Corp	• Standard liability protection and corporate veil for members, shareholders, etc.	• Subject to U.S. state of registration and federal tax regime.	• ~$500 - $6,000 • ~$8,000 w/SAFT Issuance Entity	• Metacartel (DE LLC) • Governor DAO (Wyoming)	• Paid staff of the DAO need to be "Members" of the LLC. • Burdensome to change. governing agreements. • Subject to U.S. regulatory regime.

| US Unincorporated Non-Profit Association ("UNA" or "UUNAA" incertain jdx) | ● Separate legal entity for group
● only subset of US states | ● Subject to U.S. state of registration
● Use-sales taxes | ● ~$150/yr registration agent | ● LexDAO (WY) | ● No member distribution from profits allowed
● Salary, expenses permitted (market test)
● UUNAA protections only in AL, AK, CO, DE, HI, ID, TX, WV, WI, WY, and DC |

Un-Cited and Additional Sourcing

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- https://mirror.xyz/0x954888B7a5C6736F4955dF18B556D8328FD02f61/5K9llACK4tzu5WHL68CM3bBsmSleL_XxJ2kRGYnwp7A

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