

First, I want to state that there are so many terrific ideas here. We have such a great community contributing to help lay the groundwork for the ApeCoin Foundation/DAO's long-term success. The ApeCoin Foundation will be in great hands over the next decades, however, collectively, we need to focus on the immediate needs. I'd like to keep our eye on the prize here fellow Apes; don't get caught up too much on how we got here, Cartan, past Board compensation, contracts, etc.

The primary need

we have is to put forth a clear framework and process for the community to nominate, vet, and elect new council members in a transparent and fair election cycle. ~3 months will go by quick if we are not focused!

I wrote this because I see so many great ideas, but we just need to focus

them. So these are my KISS (Keep It Simple, Stupid) strawman proposals for us to build upon based on my experience with Non-Profit Boards, IRL private membership clubs, being a CPA and corporate CFO, and particularly working with Fenwick & West + other legal counsel in Cayman and Panama to create a DAO structured similarly as ApeCoin Foundation for my own NFT project. I say this so you know it comes from experience, plus from a fellow OG Ape.

Extending AIP1 - First, let's get this out of the way and say YES

- Vote YES to extending.
- Sure it sucks the position we are in, but keeping status quo is the best option, particularly when you consider the potential legal and tax implications of the current structure [more on this later]

"the extension will allow the community to better understand, contribute to, and ultimately engage with whatever election process emerges"

We have too much to do as a community, so extend it, and let's move on to focus on building the election process. When you/the community can truly influence the direction of ApeCoin Foundation for the long-term.

NOMINATION & ELECTION PROCESS (STRAWMAN PROPOSALS)

A strawman proposal is a brainstormed simple draft proposal intended to generate discussion of its disadvantages and to spur the generation of new and better proposals.

I know people in this forum are already working specific AIPs for specific items so I am throwing these out as things to consider when you and our broader community draft the AIPs.

POTENTIAL PROPOSAL 1: Voting mechanism for the upcoming Board elections

To keep the ball moving for this upcoming term, I strongly recommend we keep it simple between these two options:

1

– (1) \$APE equals (1) vote

- This is the current default method, which we know risks this becoming centralized by whale voting and/or a popularity contest

2

– 1 vote per wallet that contains \$APE

- IMO this is also not ideal, but it is the lesser of two evils. If people want to 'game the voting' by distributing to many wallets, then at least is a more of an effort than the whales currently holding \$APE in a single wallet. 1 vote per wallet is my pick.
- People have discussed creating a merit-based calculation to weigh token voting. The idea is good, but in practice, it is not reasonable to expect everyone can agree on a proper long-term voting solution when we are under the gun of ~3-months. We can barely get a YES/NO vote in. A more robust voting system is likely best for the next round of voting.
- That said, let's just pick one of the above (or another easy alternative someone else proposes), then we can spend the next ~12 months determining a better way to vote going forward at the next annual vote.

POTENTIAL PROPOSAL 2: (4) of the (5) Board seats go up for election after this 3-month extension

ApeCoin Foundation is recommending a rolling vote, which I believe is unnecessary. As an organization, we shouldn't be

spending each quarter on nominations and elections! That is simply inefficient.

Vote the Board in annually, one-time as originally intended.

Though since the primary concern is continuity, I believe we only need to guarantee 1 member of the current Board and I recommend that individual becomes the Board Chair

(see next potential proposal). Furthermore, I do not believe the activity to date is such that we need to have the majority stay. The Board is free to provide information to support the contrary, otherwise, I believe the general community is on-board to open up 4/5 seats for this election.

POTENTIAL PROPOSAL 3: Create specific Board Positions for the upcoming vote

There is clearly a need for specifically defined roles. The proposal below guarantees (1) current Board members to stay for continuity purposes, while the other (4) positions are open to the election process (current Board members can re-apply). We can expand roles and responsibilities as further, but keeping it simple here:

Board Chair

- Voted on between the existing Board members who wish to apply

In other non-profit organizations, it is very common to have the 'Past President' be an automatic Board position exactly for the point of helping with continuity. This is kind of like that.

- Community can vote via snapshot based on current members nominating themselves as Board Chair
- Guarantees continuity, and someone must lead the potentially 4 new members. Boards need a leader as well!
- Primary Responsibility:

Committed leader that helps keep the board efficient and effective, along with on-boarding new Board members.

Board Secretary

- Primary responsibility:

Communication both amongst the Board of Directors and between the Board and the ApeCoin Foundation community.

- Develop criteria/experience that you would like to see for someone in this role.

Treasurer

- Primary responsibility:

Finance and Accounting matters

- Develop criteria/experience that you would like to see for someone in this role.

Board Member #1

- No formal title required; this is common with large non-profit organizations.
- Full participant with the broader roles and responsibilities of the Board of Directors.

Board Member #2

- No formal title required; this is common with large non-profit organizations.
- Full participant with the broader roles and responsibilities of the Board of Directors.

[@GeekApe](#) had a great idea about Community Representation what we should find a way to integrate as well. Open to ideas how we could do this in practice! GeekApe: "Just as external board members of large companies require "Independent Directors", 50% of the elected Board of Directors should be from community members and/or not otherwise representing large corporations, large investors and/or providers of services purchased by the DAO."

NEW

: Also, ALL Board members will lead at least 1 Committee

POTENTIAL PROPOSAL 4: Create voluntary Committees led by the Board of Directors

Why have committees?

- Committees are quite common in Non-Profit Organizations.
- There appears to be a desire by community members for specific involvement at ApeCoin Foundation, even without compensation.
- Participation in committees is on a voluntary basis [or the DAO could also choose to pay a small Honorarium for individuals who fully participate during each period].
- This gives individuals the opportunity to participate in activities benefiting the ApeCoin Foundation under the direction of a Board member.
- Working directly with a Board member can provide valuable experience for an individual who may want to run for a Board position in the future.
- By requiring Board members required to lead a Committee and work with Committee members, we can help keep them accountable to their responsibilities.

Example Committees

Governance:

Advises the Board of Directors and provides recommendations on matters relating to the governance of ApeCoin Foundation

Finance:

Assist the Board in fulfilling its obligations and responsibilities relating to the ApeCoin Foundation's finances.

Membership: Responsible for matters related to initiatives to maximize current member engagement, experience, and retention; this includes communication between the Board and the members.

Long Range Planning:

Strategic planning for the future direction of ApeCoin Foundation to ensure that it remains relevant and sustainable for future generations. People want to talk about long-term Treasury management? This is the Committee you want to be a part of.

Nominations & Elections:

Advises the Board of Directors and provides recommendations on matters relating to the nominations & election of the Foundation's directors.

POTENTIAL PROPOSAL 5: Create a nomination process led by the Cartan group with feedback from the community

Cartan Group should do the heavy lifting on creating a nomination process + reviewing nominations.

Advantages:

- This is a tedious process
- I doubt any of us here want to actually review potentially hundreds to thousands of applications
- Ensures that the broader community is reviewing only qualified candidates when it comes time to vote
- We are paying them anyway so let's utilize them

Steps to take:

- a) Cartan to create a process to gather feedback; have open discussions with community to draft it
- b) Community to propose requirements that you'd like to see in nominees
- c) Cartan to gather feedback and develop an initial proposed framework for the community to review
- d) We finalize a framework all together, which can then be put up for an AIP vote

CLOSING THOUGHTS

Don't expand the Board this time around. Give the Foundation a year to determine if expansion is appropriate. [not having to vote on expansion is one less thing to think about] remember, KISS

I know you could pick through different sections of this, but I wanted to provide a simple framework to get your thoughts on. We need to start knocking off low hanging fruit if we want to achieve a reasonable voting process during the extension.

Thanks for reading and I look forward to improving these strawman proposals to see what AIPs the community can come up with.

BoredApeG

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BONUS FYI: ApeCoin Foundation's Legal Structure

At the end of the day Cartan is only a service provider to the ApeCoin Foundation. I like the Board members, but constructive criticism has its place. The Board is who is primarily responsible for the lack of communication over this election process and how we arrived at requiring an extension.

Anyways, ApeCoin Foundation is set-up in the Cayman Islands (Cayman) for a reason, and it is not only for US securities law considerations. IMO the bigger risk is actually taxation. It is imperative that the tax structure of the ApeCoin Foundation/DAO is protected at all costs. Yes the SEC is scary, but the worse enemy of the DAO is tax authorities (like the IRS).

Why is Cartan particularly useful? Because they are physically

based in Cayman. This adds a strong data point to the Foundation conducting activities in Cayman versus say the United States which could result in huge tax burdens for the Foundation. What has been poor is the communication of the Board regarding the structure of all this. I can understand why they have been quiet, but it has now got to the point that the Ape community needs to know, which is why I'm writing this to you all given my knowledge of this legal structure and confirming my understanding with Cartan. TBH people need to stop complaining about Cartan's contract. I can understand why the Board and Cartan do not speak to the back-end specifics, but this is clearly something they need to improve communication upon. Perhaps even have the Foundation's legal and tax counsel jump on a call so that people here aren't just hearing it from me.

Someone on the recent Office Hours call discussed potentially a future where the internal Ape Community could one day take over Cartan...is it possible? Sure, but certainly not without the risk of losing a key support of our current tax status unless those providers who take over are living in Cayman! That is the truth.

Could the Foundation actually generate its own revenue? Yes it could (contrary to what has been floated around), but it has to be done so with careful considerations. Once there is more stability in operations (such as Board election process), then the Foundation could explore more aggressive moves with its legal council. In the meantime, if I'm legal council I would also be telling everyone that it is not possible at the moment because this DAO doesn't even have a Board election process in place! Our DAO needs to get its stuff together before it can think about more complicated transactions/activities.

Last, Cayman Foundation entities such as our ApeCoin Foundation legally require a Director (this is different from our Special Council Board of Directors) who in our case take direction from the Board (our Ape Foundation Special Council) to ensure actions taken by the DAO are not in violation of Cayman law. This is something most people are unaware of. Yes, the Special Council has all the power, but on the very back-end of all this, they still need to ensure they are legally compliant in Cayman, and that is checked by the Cayman Foundation Director(s). If the Director does have confidence on the Council and the service provider, they could actually step down, which will lead to additional headaches and delays for the Foundation. Sure everything can always be fixed, but that costs both money and time

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Cartan is not the problem right now (as many are trying to make them out to be), and in my opinion, they are not at all! Getting rid of them without an appropriate plan anyway would cause huge issues for the Foundation, and honestly, it would be negligent for the Special Council allow that kind of vote to proceed at this point of the ApeCoin Foundation's early life. Yes, we certainly can and should develop a transition plan should the DAO ever want to remove Cartan in the future but punt

that right now – it is not important in the grand scheme of things over the next 3 months.

Keep it simple, focus on one problem at a time, and right now that problem is creating a framework for the Nomination & Election process

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Much Love