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Peter: It's just rejuvenating to be here, and I'm just super appreciative of all of the members that have helped put this on. Last year, if we go back a year ago, we had a couple plans. We said we wanted to do 3 conferences this year, which didn't happen. We maintained our goals – stuck to our original goals: paying Gavin, [laughter] running the conferences, and the stated goal of a certification process that would help people tell good companies from bad companies. That didn't happen for a variety of reasons. The last two was to stick with the missions statement: promote protect and standardize Bitcoin.

So like I said in my letter, I'm giving us a C- for the last six months. As the person responsible for making sure it fulfills its mission, I would say the Foundation has not done a great job. And, that said, I know for sure the people at the foundation really really care that it does do a great job. And so I was thinking about resources, shortly after Lindsay quit I think in late summer of last year – there were three employees. If you think about it putting on conferences, media hype and all this stuff, you have about a tenth of the people you need to accomplish this stuff. So there's a little bit of an organizational growth thing that's happening. But what I also want to talk about a little bit is my belief that its time to go big for the Foundation

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Jon: On our IRS 990 form that we're required to submit every year on May 15. A lot of people have been asking about finances and that's included in my overview but it's also good to know that we're only 18, 19 months old. It seems like a lot of time, these annual reports are due on May so we just filed our second one on this May 15th. We've been filing those and that has all the information on the details of the foundation. We're going to share that with you as well. We're going to post it on our website. It's also required by IRS law.

One of the main things that we do is this foundation, or this conference that we're all at and we don't do these really ... We've never intended and we didn't start out to do these to make money. We do it as part of the foundation's obligation to the community. If we wanted to make money out of it, we would have to increase the prices. Our goal is to break even on these conferences and that's what we use as a guide to set our price to get in as well as the price to the exhibits. Other conferences that work in the bitcoin space, some of them definitely are trying to make money on it which is fair for a business.

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We don't feel that nonprofit should do that. I just wanted you to know that about the conferences. We also have an opportunity going forward probably as a foundation to license out the bitcoin 2014, bitcoin 2015 brand and the foundation brand for conferences. That's something that we're actively looking at as well. We currently have an opportunity to do that similar to the way that the CVS does it in Las Vegas or in Mobile World Congress in Barcelona. We're looking into those options or we can keep it house and still the bigger team to do it in house.

We would definitely be driven also by [00:02:00] member input on that, if you think we should continue to work on conference events or we should outsource that and focus on other things. I think it's been good so far but we're getting to a point where we can definitely go much bigger on the conference side as well. We've also navigated a very treacherous crafts environment as Peter has mentioned. We were very fortunate in the early part of this year because the two resignations that we had with Charlie Shrem and Mark Karpeles, they were voluntary resignations.

They recognized both on their own that it was the appropriate thing for them to do for the foundation, for the membership and also for bitcoin to resign from the foundation. There were no votes or anything that were held to eject them. I think that we're very fortunate that that's the way that it happened. Also, I'm going to go over the things that we've mainly accomplished over the last roughly 10 to 12 months up until now. Expanding from two people to 10 people, we expanded the internal infrastructure quite a bit.

We had a lot of things that were just happening on an ad hoc basis. None of it was formalized. We formalized finances, we formalized legal, we formalized public relations. We formalized the event speaking opportunities. We received roughly 200 to 300 invitations to speak at events around the world. There's no way that all of us up here can attend all of those and get to them. We do a good job of it. We try to attend as many as we can but we've also put in place a program where we share those invitations with surrogate speakers.

That's an opportunity for where people that are working with us on the committees and people who are in membership that want to speak. We have [00:04:00] a program set up where you can take some of those excess speaking opportunities. I think that's another very interesting way to get involved. Andreas actually was taking a speaking opportunity when he did his presentation in Athens, Greece that time at the Disrupt

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Conference. Andreas is one of our surrogate speakers. We also did a policy blitz mostly in Washington DC.

I call it an educational blitz because there's not a lot of policy and lobbying that you can do unless they're educated first. We set ourselves up intentionally. The first point to go to for legislators, regulators that want to learn about bitcoin. That was a conscious effort to set that up. It's a large effort time wise and financially to maintain that because you have to continually be up to date in what's going on to get those future invitations. They're very valuable because it gives us the first shot at educating both the lawmakers and the regulators.

We're in the process now of taking what we learned in the Washington DC process and then replicating that in the other jurisdictions. Brussels EU obviously is top on that list. London is high on the list. I would say that after that, we would start looking at the places in Asia as well. It's interesting on policy side because the issues that we deal with, they all tend to boil down to roughly three main issues. If you know them in one jurisdiction, if you can leverage that, or usually across the other jurisdictions, I'll just briefly mention what I think they are.

They boil down to the income tax treatment of bitcoin. Whether it's property or currency, that affects income tax on capital gains [00:06:00] as well as straight income. Then you have the VAT question, whether or not bitcoin is taxable. If you could have sales tax on bitcoin when you're selling it. Then the third issue that they all seem to have in common is the issue of how they treat money transmits. Do they treat bitcoin exchanges like a bank, regular financial institution, how much latitude do they have value on KYC and anti-money laundering guidelines.

Roughly, once you understand those buckets, you set yourself up in a very positive way to deal with those issues in a similar fashion across multiple jurisdictions. That's what we're trying to do when we internationalize policy, that's what we'll be trying to do. We have a fulltime resource, we have a fulltime resource in Washington DC. We testified and submitted comments on the cease and desist order that we received in California which was a famous episode. We took the opportunity there to use that as an educational opportunity with the regulators in California which was the DFI at that time.

That was gift wrapped for us because it gave us an excellent platform to respond to. We also submitted comments on Liberty Reserve. We submitted comments on FEC. We submitted testimony with the

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intelligent Ben Lawsky bit relations. Certainly, we will file an amicus brief in the Florida local bitcoins case that's going on. Those things don't happen for free. It's expensive to do that work and we've relied sometimes on [00:08:00] volunteer work for that as well. We do it in a coordinated fashion and we're very selective of what we respond to.

Going to the membership side, I wanted to mention a lot of you know that we have a combination of individual members and industry remembers. We have three board seats that elect the board directors, on the individual side. We have three that elect on the industry side. That creates a lot of difficulties in terms of constituencies and in terms of management. Sometimes the goals are not always aligned. For me, it's making sure that the wheels stay on the cart and not spin out of control.

There are so many different constituencies represented just even here in this room that it is really sometimes very difficult to coalesce that into a meaningful message when you're looking externally. That even translates into things as basic as a mission statement. The way we've addressed it so far and the way I've addressed it as executive director is to try to balance those needs through ... not by pummeling another part, another constituency into the ground but by equally advancing each one in lockstep and mostly in the resource way.

Financially, we try to balance the resources that Gavin in core development will have against things like promotion, conferences, policy funding. That way, it's not skewed to one part and it's not skewed to one constituency. I think that's very important for keeping the foundation together and not creating a foundation civil war. The EFF, if you look back in their history, [00:10:00] they actually had a period in time where they fractured because of these impeding constituencies. I think it was two years into when the EFF first launched that they have this fracture.

The reason that's important and the reason I'm mentioning it is because nobody remembers the other one. We only remember the EFF and if we're going to fracture, I want to make sure that I'm the one that we remember. Just in case you're interested. The CBT I think is what the other half of the EFF fracture was. The reason I brought up membership is because one of the things that we're looking to do in 2014 is revamp the membership tiers. It doesn't necessarily mean revamp the fees and the dues but mostly what you're getting for that.

The comments we get from membership is where are we getting when we buy our gold versus the silver. Is it just that we get our logo in a

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different place? What are we getting when we get a platinum instead of a gold? Those tangible things are legitimate questions and it's up to us to define those differences and make it more attractive as you become a higher level participant and also commit a higher amount of funding to us.

One of the distinctions right now that we currently have is platinum members receive observer rights for board meetings. They get the best of both worlds. They're allowed to sit in board meetings and discuss things. They don't have to vote and they cheer and heckle from the sidelines. I wish I could do that.

Board [Other]: You can.

Jon: On the affiliate side, we started this program late last year and international affiliate program is a way for us to bring on [00:12:00] other countries and assist people in opening a nonprofit in their country. They then become our footprint in that local environment which is very helpful from the press side, helpful from the policy side and it's also helpful in expanding bitcoin in parts of the world that we want to be in which is every country in the world. We held a very successful affiliate day on Thursday which was the day before the formal conference opening.

We had over 65 attendees there and at the end of that, we actually assigned two new affiliate so we signed up the Netherlands which is this country and Germany. Now, we're at five. The other three were Australia, Canada and Mexico. If any of you here, any members in the audience are interested in that kind of program, it's a very turnkey approach. It's a launch of nonprofit in your country without even having to leave your fulltime jobs.

Because we've streamlined it in such a way that you could get involved and be part of the Bitcoin Foundation. You have complete governance, complete independence over your own governance. We don't change the way your website has to look. We don't change any of your own rules or bylaws. It's a two year agreement with mutual opt outs so that we're both performing. Right now on the affiliate program, we've just been overwhelmed with requests. We're very passive in the way that we're approaching the countries currently.

We are tackling the ones that are demonstrating their own momentum so it's not 10 countries that are very active and very close. We believe that if we focus on the ones that are currently bubbling up to the top, we

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can take advantage and leverage that momentum rather than not paying attention to them and maybe going to some other countries that [00:14:00] are not even at that phase yet. Once we can satisfy current demand, current momentum, the plan beyond that is to develop a specific criteria of which countries the Bitcoin Foundation wants to go into.

These will be high level criteria and ultimately achieved as the board decides on ... the membership deciding on what countries we want to focus on after satisfying current demand. We may decide that India is a great place to go into and plant our flag there and really make a push in India. Go into China and really make a push there. These don't have to be the things that are driven by whether or not those countries are ready, we can proactively steer that. That's the real exciting opportunity here. Now I'm going to talk about transparency.

Board [Other]: All just quiet in the background.

Jon: The main changes and after this board meeting, I'm not going to urn out of here and go into the street. I'm going to be out there for any questions on what I can do better. We look at transparency especially after the last San Jose meeting. One of the things that we've determined is yes, it's appropriate for us to publish the board minutes. We started publishing the board minutes with a six month delay and that was too long. This world is moving too fast.

In a lot of cases, it's just resources that it really just took us that long because certain things had to be ... certain personal had decided we eliminated ... when you're trying to protect confidentially and people's income, things like that. Because these are not published everywhere so they're not just published with members. Then we shortened that to one month. Now we have a one month delay on publishing board minutes. Give or take a couple of weeks and please bug us and let us know [00:16:00] if we're not adhering to that schedule but that's the target.

We also have a forum that's off our website, the bitcoinfoundatoin.org forum. That's a resource that can be used a lot more because if you look at our last statistics, that's really only being used by 10 or 15% of the membership. It's very easy to turn it into a troll fest. That's not really what it is for. I jokingly heard from some people that we should just pull the plug and reboot on it even if we lose all the archives. I don't really want to go there yet but I think if we got more active usage from

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everyone here, we could actually make it a really good resource that we go to.

I also received criticism that the board is not on there enough. We're not actively taking your questions. That's probably true. I personally attempt to go in there. I know Gavin does, I know Elizabeth does. We all have posted on there. Our schedules don't allow daily checking there. We just hired resource part time to be that interface so that if there's things that are getting unanswered that are really important, we promoted our moderator to be the member communicator on the forums which I think is a very positive step because now things will get answered.

There's also a section on there where you can place items to be considered, to be presented at a board meeting. We do see that so if they don't get voted on, it doesn't mean that we didn't see it, it just means that we didn't decide to call a vote on it. The other things with the forums I want to mention is we decided to make those read only. I know that ... Read only for everyone. I know that initially when they started you had to be a member to both read and post. Now, you only [00:18:00] need to be a registered member to post. That was done because we had a lot of our postings were getting reposted anyway.

Board [Other]: The same members just copy them over to ...

Board [Other]: Somebody wrote bot to do it.

Board [Other]: Did they?

Jon: It didn't make any sense and it wasn't fair to give members this false security that they were making private confidential comments. It's better to let everybody know. Then like I said, we published the annual IRS form 990 which is an overview of our assets, an overview of our income and expensive and compensation for key employees. It's a 33 page document and it's fun bedtime reading. Let me go over some of the highlights for you on the budget and expenditures. We have a current monthly burn rate of about US\$ 150,000 per month.

That's what we're currently spending. It wasn't always that way so this is current. It was about 50% of that as late as December of last year. Translating again into \$1.8 million per year. We have \$4.6 million equivalent in assets. We keep 90% of our assets in bitcoin. We target the 90% area and because of that, it fluctuates up and down quite a bit. Inadvertently, we sometimes luck out on things but then the exact

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opposite can happen. Long range planning can become quite difficult in that environment.

The other thing that I wanted to mention [00:20:00] on the assets is that when we started in 2012, I think the exchange rate was \$10, \$12 we took a lot of initial contributions in. The bump that we saw at its peak eventually going up to the \$1,200 that we saw at the high put us somewhere around US\$ 7 million in assets in under two years. I want to point out that that's higher than budgets of EFF and Tor Project combined.

That serves as our endowment and when Peter mentioned that we're not cash flow positive, he's correct because the current venue is not keeping pace with our expenses. We're borrowing about 40% every month from our endowment. The strategy going forward and with revamping the fees is that we will be able to continue and expand our budget without going cash flow negative and without borrowing from our endowment. Just a little bit on the relative distribution of the finances, 70% of our revenue ... Our revenue is comprised of three areas. There are the individual views, the industry corporate views, and the anonymous donations.

We do provide for anonymous donations through [inaudible 00:21:41]. The relative pie chart distribution of that is 70% from the industry side, corporate roughly 25%, 26% from the individual views and roughly 4% from the [00:22:00] anonymous donors. You can see that the industry corporate memberships are the most important to us from the balance sheet side. The positions are equally represented on board with the three and the three. We have a seven member board. We have an additional board seat that is elected by the founders currently.

Before we open it up for questions, I want to just update the rest of our remaining 2014 strategy is. You've heard it a lot here in the theme of the conference as well as Elizabeth's final comments for the closing session. We're a global organization. Bitcoin is way more than just the US. Our membership base is more than 50% not in US. We're actively targeting this year to be the year that we make the big breakout into global as Peter mentioned. As part of that drive, we've incorporated in London, we've incorporated in the UK.

We will be basing the international office in London, a small office and that will be our first office of the Bitcoin Foundation that is outside of the US. Hopefully, it won't be the last one. We're going to be looking at

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other geographic areas to open international offices in and we believe that will be one of the primary vehicles for us to have the global outreach and to be more responsive to the international community. The affiliate program plays a large role in that because the affiliates in the countries are not only bringing members in to both of us but they're also [00:24:00] allowing us to get into countries that we wouldn't ordinarily get into.

Without having us to have a line item, a budget line item for that country. The sky's the limit on that and we're targeting for 2014 to go from five to 18 affiliates by the end of this year. Let me see how much time we have left. We're at 6:25 right now. That concludes the main overview from the foundation side. We have a microphone so ... Does somebody want to volunteer. Kevin, do you want to volunteer to give the microphone over to Ryan there? I'll just use his first name.

Board [Other]: Yeah, we're ...

Jon: I have one over here. It's not this shape so ... Just turn it on ...

Audience Question: Thank you. For those of you who don't know me, my name is Ryan Selkis [inaudible 00:25:17] blog and ...

Board [Other]: Can you hold it closer?

Audience Question [Ryan Selkis]: Yeah, can you hear me now? As many of you might know, I've been pretty critical of some of the policies and individuals associated with the Bitcoin Foundation. I did want to say that I think that the organization is positive and has done phenomenal work. I'm excited about the new board of directors and one comment before my question. I wanted to echo a private apology that I made with Jon for being overly critical in some of the events of early March and I wanted to just do that publicly.

That said, I think a lot of the issues that I've had with the foundation had to do with transparency were you're representing an industry [00:26:00] that relies on a public blockchain which is radically transparent. Why do you think it's all right to just have a 990 that's filed once a year instead of being radically transparent about sources and uses on an ongoing basis?

Jon: Okay, I'll answer that first and then I'll let others answer. The first part of the answer is that we're a membership organization so we answer to and respond to our membership first and foremost. I'm not sure, you must be a member if you're attending now here so that's a positive.

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Board [Other]: He's probably an anonymous member, I imagine ...

Audience Question: I'm a lifetime member.

Board [Other]: All right, thank you.

Jon: Thank you for the kind words as well. We don't attempt to represent the community at large. That might be a secondary role that we've acquired but we set out to represent the industry and individual members. If we have the luxury of representing the entire community then we're going to fulfill those duties as well. I don't think that the rest of the community would agree with one statement though. We have 1,300 individual members and 200 industry members. That's a very small part of the community. That comments that I've heard in this conference are why don't we have more individual members?

Yes, there is a responsibility to the community but our first and primary responsibility is to the membership. On the financial transparency side, I agree with you, because the world is moving too fast to just have annual report releases. There's nothing that's being hidden there so now that we have the resources, we could move to quarterly updates on something like that. It's really just bandwidth and auditing. I'm not opposed to it. Does anybody want to add? [00:28:00]

Board [Other]: When we started, I think my motion to the board was that we publish all the foundation notes. Maybe Gavin pointed out that that's actually a real privacy problem for people who want to stay anonymous. You can track, know a lot, we're going to combine them all to a few addresses and then you can see people you know, who are in, and how much. There are some blanks too there but I think there is some balance there.

From my side though, there are times we're engaged with law enforcement regulators or other things that I think need to just stay confidential. I also don't believe non officer salaries should be published. I think that that's typically, I think that's generally not appropriate. Past that, I'd love to see it proposed like give me a proposal we'll put it to a board vote and I'm into it like it's very offhand and just a resource problem in my perspective.

Board [Other]: We've got two options here. We can spend a lot of our time trying to be transparent as much as we can and higher resources can be transparent or we can spend a lot of our time in the board level making sure that we got resources to make bitcoin bigger and to allocate, protect, and do ...

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There has to be a balance. If we have too much of transparency, then all resources we hire, the tenant fees go to ... and they all go to try to policy ... it's not the end of the world. It's possible but right now, honestly, we're in an environment where bitcoin is not well perceived. You asked for priorities at least from my side as a board member, it's more about the other.

We could go from yearly to quarterly, yes, sure. We could and we have to, I agree. It's nice to have quarter for the community to know exactly where the funds are coming from and where they're going but we need resources. [00:30:00] We need to go out and we need most ... are driven more over time if you like what the foundation is doing. There is a balance here and I hope that over time do trust that the bard you're electing is representing those interests and is protecting them. That's what's important and then only then results will come.

Luckily, we had in the last eight or nine months, four new board members elected. Something the foundation never had. I think it's a plus and they represented the majority of the membership because a lot of them voted. There's that mix of it's possible, it's doable but we really think you're right, but it will take awhile to get there.

Board [Other]: Any more questions there ... Kevin, did you ... ?

Audience Question [Kevin Beardsley]: Yeah. I'm the director of membership guy. It's nice to meet everyone. I met a lot of you guys and I look forward to seeing ... going forward. We put a question up in the forums for people that couldn't be here to have a chance to ask a question. There was one that was voted at the top or at least was one that came up the most often. I'm going to speak on behalf of the forum. Also we are recording this audio recording.

We're going to put the transcript of the entire meeting online for the whole transparency for people that can't be here. The question to the forum is what are the thoughts of the board on the event leading up to and after the most recent election?

Board [Other]: I got the microphone.

Board [Other]: I don't even know what that means.

Audience Question [Kevin Beardsley]: I think there's a certain feeling on the forum that the board hasn't directly addressed some of the controversy that has

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gone on since the election. I think they just like to hear someone that got to ... directly.

Board [Other]: Would that be around Brock Pierce? I don't know, I personally don't want us to have to deal with that controversy. I'm sorry that that exists. [00:32:00] I have nothing against Brock, we've just met and he seems like a nice guy. That's probably all I would say. Generally, I think that kind of thing is a huge distraction for us and it does take resources and time and energy and I would prefer we not have to do that.

Board [Other]: I'd just like to say the candidates were all nominated by membership and also elected by membership as well. It's very clear that Bobby and Brock did win the election, that's my take on it. We really do appreciate all your feedback on the forums though.

Board [Other]: I got nothing to add to this.

Board [Other]: Do you have another question, Kevin?

Audience Question: Maybe could you guys line up by Kevin? I feel bad ... If you real care, go there and then ...

Board [Other]: We're here ... [crosstalk 00:32:54]

Audience Question [Kevin Beardsley]: Yeah, so one more question from the forums. What is the board's opinion on amending the bylaws to introduce crosstabs voting and/or amore formalized nominee vetting process?

Board [Other]: They've had to switch chairmans, thank you. I'm not representing the whole board here. I'm just going to say my own personal perspective. I think crosstabs voting misses a little bit of the point. If you look to the map that Jon did, we are not paid for by the individual members. I strongly believe we need that. We need everybody in and when I go talk to people about setting up foundation, it's great like it's like [inaudible 00:33:35] and the anarchists who feel guilty taking about starting a foundation. That's who you need, you need all those people. One of the things we do is sell access and influence to businesses and that's part of where we have been making money.

That's part of how we do it. That's my perspective. I would understand if you hate that. I'm not a big fan of the ... I don't know about this cross thing. I think vetting candidates would be a great plan. [00:34:00] There's been some talk that it would be nice to give the board some

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facility to appoint so that we could go recruit someone that might not want to run but it would be a big help. That's actually now I'd be interested to get feedback from this group.

Board [Other]: Before there's feedback, I just wanted to add my personal thoughts on it. I think the idea if you are running the elections whether it's in the individual class or the industry class and you have any kind of vetting criteria, it amounts to the censorship. I don't think there's a way to come up with vetting that is not censorship. I don't think that we should have censorship of the candidates that are nominated.

If people are hung up on the vetting, I think that you either have to abandon it or you have to go to board appointments on two year rotating terms. The board nominations can be made from the membership but then the current board elects the next board director every year so we have this rotating situation. We are discussing it. That's just my personal opinion. It's not for the rest of the board.

Board [Other]: Here.

Audience Question: Okay, go ahead.

Board [Other]: I'm sorry you're responding as a general council now ...

Board [Other]: I don't want to take away time from the board of members ...

Audience Question: Introduce yourself.

Board [Other]: Sorry, I'm Patrick Murck, I'm the general counsel for the Bitcoin Foundation. One thing I just [crosstalk 00:35:26] I agree with. If any of you want to change our bylaws, those bylaws were a starting point for the community. When we wrote them, they were draft and they were published out in GitHub with the intention that all of you would engage with the bylaws and improve them overtime. There has not been a lot of engagement with those bylaws and so that's on us. Not pushing for that but there has been a little bit.

When there has been, it's been a very [00:36:00] open transparent debate right there on GitHub. We've been able to make changes to the bylaws. I would encourage you, if you find something in the bylaws deficient, please engage in the debate there. Every full request on GitHub to change our bylaws goes to the board for a vote.

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Board [Other]: It's like we ...

Board [Other]: Yeah.

Board [Other]: If you remember [inaudible 00:36:26] as far as the protect side is concerned, promoting industry standards, best practices etc. for companies operating in the current world.

Audience Question: How do we protect and produce such a ...

Board [Other]: Okay. I think a lot of it is thinking sort as developer resource. Removing key man problems and all that stuff and then there's also fighting against what we consider bad regulation, and overly aggressive regulation. In my head, that's what protect means mostly. I don't know about others do think.

Board [Other]: Just a general cue from running education. Individuals on the bitcoin community understand how to protect themselves. You talk about bad business for their exchanges, providing people resources to know how to did that [inaudible 00:37:12] bitcoins as well. Work on our forums, work with the committees also and we really also want to thank the work that communities already have done with that. You can be more practically engaged on that front as well.

Board [Other]: I would think it's a mandate of the foundation for now where it hasn't been a priority to do that. I think it hasn't been brought up. It's a good point. It's much needed. There should be a Better Business Bureau kind of seal of approval but when you look around the role of those models, they tend to be private companies with a lot of very screening job of creating that kind of seal and making it available to the system.

It's very hard for not for not for profit foundation to try to be that man because then it means that we have spend time vetting, [00:38:00] it means that we have to invest resources in looking at balance sheets of companies, doing auditing, doing processes. That's not what the foundation mandate is right now. If anybody wants, anybody wants to start a great business around a bitcoin bureau, I think it's a great idea and it if we get the companies to collaborate in this content and create best practice and some of you are really welcome from the entire community.

Board [Other]: I want to say one more thing about that. I really wanted that bronze, silver, gold certification and guidelines. Like trust these guys with \$50 but no more. Does that make sense? I think it's problems, it turns out ... I

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thought the business is ... kick in their best practices and someone will start an auditing company to do that. That would be wonderful. I think it's going to be really hard to get that to happen.

You've got a board member here saying there's a lot of liability, there's a lot of operational costs but a very good point. I really do want to see that happen and we're all here to live. Someone should just do it and we'll just back it as best we can.

Audience Question: Hello, my name is [inaudible 00:39:10]. I'm a board member of the new German chapter so the [inaudible 00:39:15] bitcoin. We have some discussion about the name in the beginning. The [inaudible 00:39:20] just like an ... and then bitcoin. That's my question. I think bitcoin is about the idea of a decentralized group of blockchain that we have there but we have other, the terms is now arising, other approaches.

How does Bitcoin Foundation see the future to support this other [inaudible 00:39:41] Master coin and whatnot. I see there's also little competency between all these approaches and I hope the Bitcoin Foundation does embrace these new technologies and so it doesn't need to be different [00:40:00] foundations for any outcomes out there. How do you see that in the future?

Board [Other]: First of all, thank you for being a new affiliate, we appreciate that. Kevin, if you put it on mute then you won't get the cross feedback while we're using this. On the AllCoin question, we are called Bitcoin Foundation and we, in our bylaws though, we have the latitude to include other cryptocurrencies, crypto points so even though we're called the Bitcoin Foundation, it's still in the bylaws.

We haven't leveraged that, we haven't used that in any way. We also have currently maintained a policy of devoting resources only to bitcoin. If there's a large push for membership to expand that, we can certainly put that but we haven't devoted any monetary resources or thought resources to AllCoins. Do you want to talk about Mastercoin?

Board [Other]: I just have a thought. It seems like most AllCoins have their own foundations and they want to have their own foundations for whatever reason. I believe ... has a foundation. I don't know Dogecoin had [crosstalk 00:41:18] you okay. I think Mastercoin has a foundation. It doesn't seem like there's pull from them to join with us. As Jon says, we really do intend to be member driven. I think most of you don't believe that but that was certainly the intent.

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Jon: Yeah, we could do that during polls on the forum and especially on something like AllCoins. Where do we want to spend our money ...

Audience Question: Are you going to work with ... directly to AllCoins anyway.

Board [Other]: A lot of the regulatory, a lot of the branding, yeah ... [00:42:00]

Audience Question: Hi, my name is Leo Treasure, I'm from Australia. My question follows on from the centralization. I think the governments are really confused all around the world about what category bitcoin is in. Are you guys interested in standardizing or lobbying perhaps the ISO for treatment of bitcoin as a foreign currency?

Jon: Yes, definitely, excellent question. I did personally visit in the ISO in Zurich which is where their headquarters is located and they're non political institution so they're not influenced by any governments, at least that's what they say and it's not ... I have bad news though, it's not going to be BTC unless we're going to start the currency in Bhutan or something. It has to be a prefix with an X and it is currently in pending status. It has been formally recommended to them as XBT and this will fall under ISO 4217 currency codes which is what Swift, Wire Services, Visa, MasterCard, AmEx all use, FX trading systems.

It will be very helpful actually for bitcoin to at least be able to clear... offer us clearance level though these networks. How do you define clear is going to be the tricky part. It's a foot in the door and the X was there for commodity. XAU is gold and I think bitcoin is appropriately classified as XBT in that area because X is the nonpolitical. The status though is a little bit interesting and this is where we could use a lot of help. The response that I got back from the director there after the petition was that they cannot consider that their board meetings because the request [00:44:00] did not come from the Central Bank.

Board [Other]: Are there central bankers in the house? Where is Iceland when you need them?

Jon: We need a small country where that can ...

Board [Other]: We need a mason ...

Board [Other]: No one else is going to get [crosstalk 00:44:20].

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Audience Question: Hi there, I'm a [inaudible 00:44:25]. What about professional lobbying in US? I think we've all heard that [inaudible 00:44:45] is already lobbying for bitcoin US Congress so what about the foundation do the same in our favor?

Board [Other]: You're from Brazil and you want more lobbying in the US?

Audience Question: I just wondered that ... Are we sure that Brazil, more regulators are going to just compensate whatever US does.

Board [Other]: I agree ...

Board [Other]: I not very politically savvy. I'm looking at Patrick, pleading for help. We do have full time DC people. [Crosstalk 00:45:16] give it to me.

Board [Other]: Please tell us all about it.

Board [Other]: Sure thing, we don't lobby. We escape but it's totally different. There is a difference and the difference is some degrees that ... The technology and community is that they're ready to push for new rules and new regulations or anything of that sort. What we need to do is establish an understanding of what this technology is, how the blockchain works and what would be the appropriate framework right now that lets us on the board.

To help with this, the reason we hired Jim Harper as global policy council. Jim actual spent quite a few years lobbying for PayPal on these very issues to help them overcome the same types of [00:46:00] impediments. That's one step we're taking and we have other resources that are available, thanks.

Audience Question: Hi. [Inaudible 00:46:13] conversation and from the [inaudible 00:46:15]. I have two questions. First, I have a formal question. [Crosstalk 00:46:24] I'll tell you in an [crosstalk 00:46:24]. As far as I understand, there are some board members who have a lifetime membership ... recent being the two board members that have resigned. If they have chosen not to resign, there wasn't any way to remove them.

Board [Other]: That's not correct.

Audience Question: That's not required the ...

Board [Other]: Yeah. I can give you more detail if you want.

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Audience Question: I remove my ...

Board [Other]: Okay. There are founding members and that was basically everyone who's at the initial meeting and plus Jon who comes to that later for the incredible amount of work you've done. You would not ... They have nothing to do with your board status. Any member of the board can be removed with a 2/3 vote which is not for ...

Audience Question: The founding members are given ...

Board [Other]: The founding members have one special right which is to elect the founding members [inaudible 00:47:20]. I have a very small constituency right now.

Audience Question: I think [crosstalk 00:47:27] for that.

Board [Other]: Yeah, we're certainly open. We've been talking internally like what's a good plan so please pull request away.

Audience Question: Second question which was about the budgeting of the foundation. You're doing a lot of US centric work. You want to lead the organization that you're expanding. Are you going to separate the budget that goes into lobbying in the US versus the global budget? You have two separate organizations, how is that work? [00:48:00]

Board [Other]: There's a strategic answer there and then a tactical answer. Strategically, do we have US assets now, contracts, bitcoins and all that stuff. Getting them in England is likely to be taxable. I would imagine. Joe is in the back, he could tell us more about that but it would be depressing probably. There's one question, it's like how are we homing in London, how do we do that? What's the most tax efficient process with the money and so on.

My guess is we're going to just take a slow tax efficient approach. There's tactics. The first strategy, right now we're waiting for a plan proposal from Jon and the management team like how they want to go about it. People are thinking about it. I don't think we have a solid plan yet, I think.

Board [Other]: Ideally, the foundation gets the work that a foundation does get better and all of you here gets more comfortable and more money comes in and that money can go straight to the UK or international. [Inaudible

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00:48:58] for the money that's in the US. It started in the US and the money is right now, there's some reason to get it out and try ...

Audience Question: In the UK you will have a global and a local one. A budget wise ...

Board [Other]: Yes and that have much more international board represented by different people from Latin America background, Asia background and Jon based in London. It's just going to make it much easier to think about global budgeting, capital and location.

Audience Question: Thanks.

Audience Question: Yeah.

Audience Question: I'm [inaudible 00:49:34] from Argentina. Congratulations for this beautiful conference. This was a topic that wasn't touched but it was touched by the others in the first part, the first eight. Along grants, how much is to be allocated in grants or how are grants supposed to be chosen? There's an objective [00:50:00] in which kind of projects that we introduced and is there a way of, not investing, but giving money specially programs ...

Board [Other]: You're working to the grant programs? I don't want to talk too much ...

Board [Other]: You'll have to ...

Board [Other]: Okay yeah. We did talk about the grant program at affiliate day. Just as a summary, we award quarterly grants right now. We don't set a bottom limit or an upper limit living on the grants because we didn't want to discourage the really good ones. If something costs a lot of money and it's an excellent brand, we could spread that out over several borders. Right now, our budget for grants is in the area of \$15,000 to \$20,000 per quarter. \$80,000 annually. We're looking at changing that based on funding and we also have sponsorship that are included in that. In terms of what we're looking for for so many grants, I'm going to pass that to Gavin.

Board [Other]: What we're looking for with grants are things that will be common good for bitcoin. We look for things like a VC or an angel investor will not fund ... because they can't see how we think of the profit. Something that will make the whole bitcoin ecosystem better in either technically or socially or in some other way. Yeah, certainly there are some base restrictions. We'll want anything technical to be open source to be shared. Think

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common good when you're thinking about what might be appropriate for a grant.

Board [Other]: Can we do that ...

Board [Other]: [Crosstalk 00:51:56] Miller, yeah.

Board [Other]: Andrew Miller has recently taken over doing the initial vetting lately. [00:52:00] One thing we get a lot from ... of course, we get a lot of proposals and they really vary in quality. It's like, will you help me start Satoshi China. No, I'm not going to do that. Andrew is working on that. I would like that process to get a little more streamlined itself. If you want to help him, get in touch with him.

The initial vetting of those grant proposals, I think and then we can get more outreach to get more even better things. I think if a few of you want to put your time into that and that machine just starts working a little bit better like probably we'd be really happy to deploy more money there, yeah, is my gut ...

Board [Other]: We're in 6:52 ...

Board [Other]: We've got eight minutes. Let's ... We'll cut it a little early and then you can swarm us and ask your personal questions ...

Audience Question: Hi, I'm [inaudible 00:52:51]. It seems like a lot of development resources have been focused on the original Satoshi code base. A lot of people commented and I would agree that for the health of the ecosystem, it would be great to have multiple implementations of the protocol out in the network. I want to know whether or not the foundation has considered putting a resource development financial resources into some of the other alternative implementations such BTCD or BitcoinJ or bitcoin, all of which to the best of my knowledge are open source.

Board [Other]: We talked about that.

Board [Other]: None of those projects have applied for grants. It is a question of how do they monetize another full implementation. I think like the BTCD is a company that's planning on going like red map route and being the commercial implementation for bitcoin. I think it's a great idea to support those other projects. I'm very open to ideas on how to do that. [00:54:00]

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Sometimes it's just a question of I don't think Mike Hearn wants to decide who gets the money what we want to put into BitcoinJ. Just in the same way that I don't want to personally decide who should get money to fund the Satoshi client which is why I'm happy there's a foundation. A group of people trying to figure that out ...

Board [Other]: I'm thinking as a ...

Board [Other]: Okay sure.

Board [Other]: The ...

Board [Other]: Just one thing more. I've been thinking about this. We've actually been talking about this a fair bit here at the conference. I think what we want to aim for and what we're hoping that the fellowship program might accomplish is to create more of a culture of sharing so that companies are expected to give back. I don't care if they're giving back to CoreBitcoin or if they're giving back to BitcoinJ or any other fish in the stack in the infrastructure.

I think we'll do really great things if there is a culture of sharing, there is a culture of open source and there is a culture of companies being expected to provide for the common good by donating money, resources through a testing ...

Board [Other]: Ask me about my formal [inaudible 00:55:30]. I say I want to form something like that. Like cryptographers look at the claim, what developers developed something. It's like it's got to be the worse work in the world even if I had to pick do it. It's a brutal job so anyone ... Yeah, go ahead.

Board [Other]: I just want to say I had the opportunity to speak with several of the foundation board members and I think it's been very noticeable to me obviously as I follow constantly the news media and so forth [00:56:00] and all of the politics around this great battle that we're fighting right now. I think everybody in this room has that fire in their eyes that this is what we really love doing. I see the fire in the eyes of foundation board members. I for one am grateful for the two new additions that we have. I think it has not been said enough.

The appreciation that many of us feel, myself as a lifetime member, also representing an industries position of the membership that we appreciate what you're doing. I think it's very informed what you're

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doing. It's been very difficult. Sure, you can take away style points from anybody who is doing it. It's just that anything that is business but we see that battle that you're fighting and we're grateful for it. We're really grateful for this. This has been a wonderful conference.

Board [Other]: I think we should ... [crosstalk 00:57:04] ... those in the back, so things will be run ...

Board [Other]: You're ready?

Board [Other]: What's that word in there, we were going to have a ...