

FTX – disaster or just a criminal case?

Crypto Mountain
Davos

Guido Schmitz-Krummacher



Introducing Guido

Guido Schmitz-Krummacher

Blockchain fan & enthusiast - attorney at law – EMBA – Certified Swiss Board Member



Managing Director

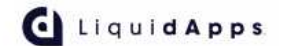


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Member of the Board



Member of the Board



Director



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NIMIQ.COM/OASIS



Incorporation board member (until 2018):

**FTX –
Questions**

....

- **Who of you had to defend (himselves/herselves), because FTX was a Blockchain Disaster?**
- **Who of you told the other party, that regulation for Blockchain could help a bit, to prevent such scams like FTX in future?**
- **What has been your key argument?**

SVB –

Next disaster for Blockchain – Silicon Valley Bank / Silvergate.....



Silicon Valley Bank
what media
report....

Kurssturz bei Banken und Bitcoin

Schockwellen auf den Finanzmärkten los?

An der Börse brechen Finanzmärkte zusammen. Credit Suisse betroffen, Tesla sinkt. Sogar die wichtigsten Firmen...

Beatrix Bödger
Publiziert: 18.03.2023, 19:00

TechCrunch+ Market Analysis

Crypto bank Silvergate's 'collywobbles' could add to industry's woes

Jacquelyn Melinek @jacqmelinek / 6:00 PM GMT+1 • March 9, 2023

Zudem ist der Kollaps der Kryptobörse FTX vom November noch nicht ganz ausgestanden. Höhere Verluste von mehreren Milliarden US-Dollar bei der US-Kryptobank Silvergate. Anlegerinnen und Kunden der Bank mussten ihren Bitcoin...

USDC UND CO.

Turbulenzen der Silicon Valley Bank werfen Stablecoins aus der Balance

Der Stablecoin-Anbieter Circle hat 3,3 Milliarden Dollar bei der Bank geparkt. Er konnte es nicht kurzfristig abziehen. Das sorgte für eine neue Vertrauenskrise in der Kryptowelt.

Azra Dörner

MONEY

Silicon Valley Bank collapse: Fears of financial crisis after bank used by US tech sector fails

SVB is largest bank failure since 2008 financial crisis

By David French, Echo Wang and Alun John

SVB– what
it is in my
opinion....

- SVB / Silvergate are not Blockchain projects
- SVB / Silvergate are neither decentralized – nor transparent
- SVB / Silvergate are banks which have performed wrong business decisions

What in hell is the relation to Blockchain?



FTX – what media reported



Even as disagreements flared at a recent Co
FTX collapse, sentiment emerged that som
was a likely possibility

After FTX: How Congress Is Crypto

The industry is finally earning the priorit
reasons, says CoinDesk's Jesse Hamil

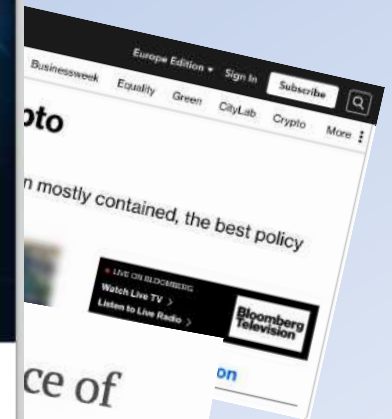
Jesse Hamilton
Jan 23, 2023 at 2:31 p.m. Updated Jan 7



Crypto is on the ropes. But it's going down swinging.

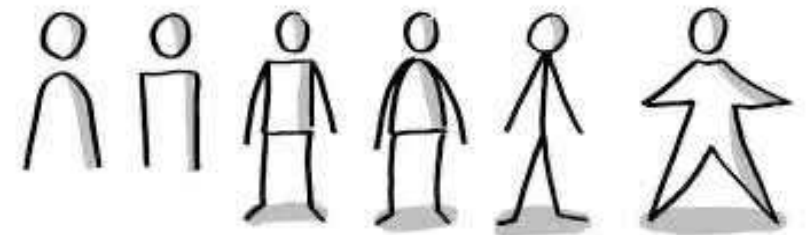
We won't lie to you, it's not been a great week. We started off with more legal nonsense from American regulators. Familiar territory, right? If only it had stopped there. Silvergate Bank, one of the pioneering crypto banks and a publicly listed company folded. Despite such a strong start to 2023, it looks like we're still being haunted by the ghost of FTX, with more contagion likely still to come.

But despite what some opportunistic politicians might have



FTX – what
Crypto
conferences
discussed....

- “FTX is a case showing that we need more regulation”
- “We have to take care, that such a disaster at the Blockchain industry is not happening again”



FTX – what
it is in my
opinion

- FTX is not a Blockchain project
- FTX is neither decentralized – nor transparent
- FTX is a project used by and through criminals to perform money laundering
- FTX could develop the criminal energy only because it was NOT a Blockchain project



FTX – what
it is in my
opinion

- Every victim should get their money back.
- Distribute information, that FTX was not a Blockchain project
- “We are also not going for the FED, if criminals using US-dollar notes for criminal activities!!”

FTX is not a Blockchain project!



So – calm
down

**So we can all
calm down!**



FTX – what
it is in my
opinion

Can we prevent FTX cases in future in our ecosystem or close by?

FTX not a disaster – a normal event

Important – lessons learned for a better future public perception

Should next time be armed instead of unarmed



We have
been
unarmed...

Unarmed 1:

We have no efficient global lobby organisation

Why we missed these opportunity until now?



We have
been
unarmed...

Unarmed 2:

Old industry via sponsoring taking over "voice of Blockchain"

Do we want to accept, that these guys taking over?



We have
been
unarmed...

In addition these groups scare the ecosystem with their opinions:

“We have to follow, what regulators want.”

“More regulation is needed, to prevent criminal activities”

Has ever any law stopped all criminal business activities in that field?



We have
been
unarmed...

➤ Let`s have a mental break - it is time to tell a story



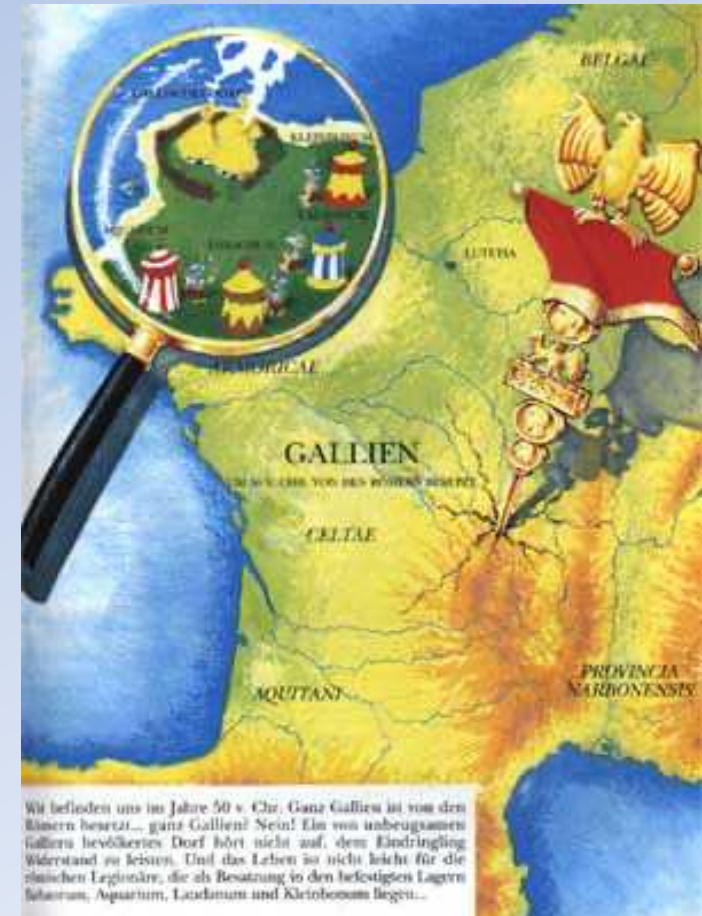
**Blockchain
showed the
wrong
reaction ...**

We are in the year 2014. The whole world is guided by governments & central banks. Only a small group of Blockchain visionaries resists against the empire. Their secret magic potion ... decentralized Blockchain.

The lead Blockchain visionaries are Satoshi Nakamoto, Reticus LaMortus, who are close friends. The commander of the village is Attornus Multiplex.

The people at the empire live in centralized systems with a lot of criminality, corruption, manipulation, unequal distributed chances for live and wealth. Only the leading tribe at the empire lives in plentifulness and decadence.

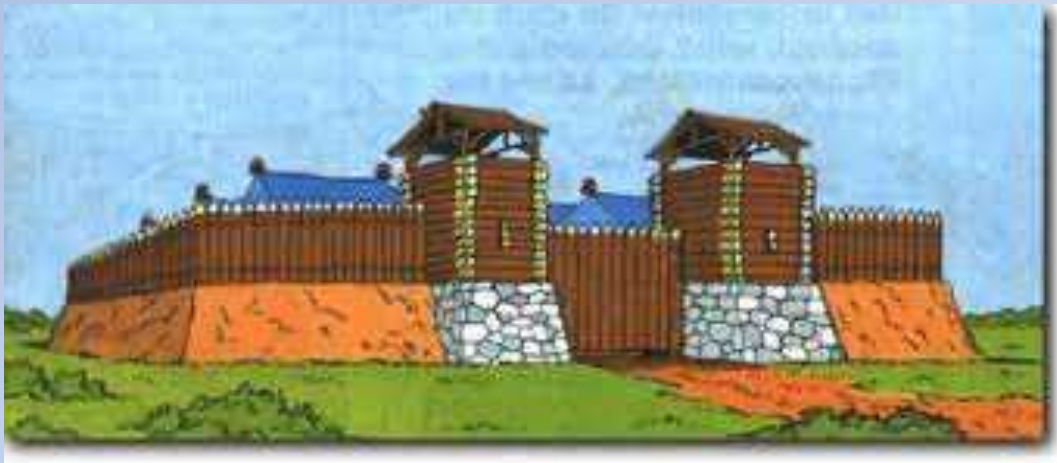
So the empire didn't like the approach of the Blockchain Visionaries. They set fortresses around the village to secure, that decentralized Blockchain can not leave the village.



Pictures are taken in a free new constellation out of my favorite comic "Asterix & Obelix" which I strongly recommend as a good general lecture.

Blockchain
showed the
wrong
reaction ...

At the late morning in March 2020 the Blockchain Visionaries attacked the different fortresses of the empire. For Satoshi & Rishi it was fun, for the empire ending in a nightmare.....



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Blockchain
showed the
wrong
reaction ...

The next morning the empire send their commander Antonius Regulatus to the village complaining about the misbehaviour of the Blockchain Visionaries:



“The village has violated the regulations. As you know, Blockchain technology was never part of our existing environment. Blockchain technology has to fit to the regulation and is only allowed to be distributed, if the empire allows it. And your behaviour of destroying our fortresses - just to keep you in your village - is not polite. The fortresses are made for your protection! I expect, that you apologies by tomorrow and maintain the rules!”

Pictures are taken in a free new constellation out of my favorit comic “Asterix & Obelix” which I strongly recommend as a good general lecture.

Blockchain
showed the
wrong
reaction ...

The next day the village send the messenger Oldix Industrialis to the local commander of the empire. He brought a short message delivered in paper role. Antonius Regulatix read the message and became very happy. From now on, the Blockchain Visionaries and the empire lived in peace & harmony.

Do you want to know, what was written in the message?



Pictures are taken in a free new constellation out of my favorit comic "Asterix & Obelix" which I strongly recommend as a good general lecture.

Blockchain
showed the
wrong
reaction ...

*Dear Antonius Regulatus, dear Empire,
we apologize for our impolite behaviour. We didn't want to disturb your
centralized system. For sure we will do whatever possible to adapt our
decentralized system in the best way to your centralized system and try to make
you – Antonius Regulatus – totally happy.*

*It also makes sense, because we only live in a small village and your empire is so
huge, that we could not expect or approach to improve your system, which has
been there forever. We should also not live our life in peace and a fair
distribution of chances and values, whilst your people live in such a bad
environment. We have to take care of them by adapting fully to the existing. So
we will never attack your fortress again and will accept all your
regulations. The only last wish we have is, that we can still be
Blockchain visionairs and our technology as "Blockchain".
Sincerely yours – Attornix McMultiplix*



Do we want to write our story like this?????

How to
create
protection ..

First: We have to communicate actively, if we disagree!

➤ We have to defend our opinion and that we have a different opinion!



How to
create
protection ..

Second: Regulators are not as strong, as they want to be seen.

“If you are not following our regulations, we stop your business!”

- Go to court
- Go to other countries
- Make their life difficult – they avoid too much work

But don't sit there and wait,
until the snake is scarfing you!



How to
create
protection ..

Third: We have to bundle our voice and power!

- Speak with a strong & loud voice of many of us
- Aligned in principles of the values of Blockchain!

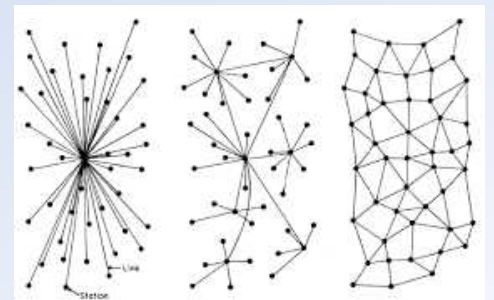
If Blockchain fails, all of us fail!



How to
create
protection ..

Fourth: Stay decentralized.

➤ Important.



.. hammer
our
weapons

First weapon:

➤ Transparency.

Can not stop in general any criminals!
But can build "trust of transparency"

E.g. Lisk



.. hammer
our
weapons

Second weapon:

- Make fraud visible & transparent
- Give any person the opportunity to use the tools

E.g. Auditchain / Notardec



.. hammer
our
weapons

We can not adapt to all the regulatory ideas and regulations in 190 countries, but we can offer them solutions, which are even better and gives them the "trust of transparency" instead.

Following the road or regulation leads us to a permanently more narrowed road:

"If we give them something, they will ask for more."

We have to turn the process around – show our power – our willingness to take care of the legitimate requests of the regulators, but not taking their solutions, which are in nearly all cases solutions of the old world not fitting to your Blockchain vision and technology or just bullshit!

... and to
run
ourselves
....

Learn & request to run ourselves –
without asking the regulators for it!



Walk the
talk

Walk the talk:

Concept of international lobby-organisation

Draft ready

Invite to contribute in that approach

Please contact me.



What we
came
together....

Idea of Blockchain:

- transparent
- decentralized
- secure
- fair
- ecosystem
- giving all people of the planet access to it
- give any human on our planet equal & fair chances to participate



Revolution



**Mahatma
Gandhi**



**Martin
Luther**



**Martin
Luther King**



**Nelson
Mandela**



**Vaclav
Havel**



**Julian
Assange**



**Edward
Snowden**



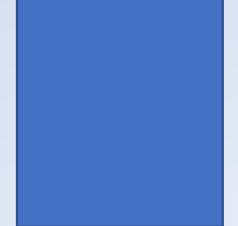
**Michail
Gorbatschow**



**Georg
Daton**



**Aung San
Suu Kyi**



**Blockchain
Visionairs**

Any substantial revolution in the world was not performed by people, which agreed to the empire

Thank you!

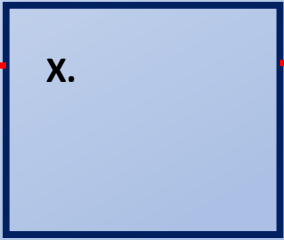
Thank you very much for
you audience!

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