



Report from June 5, 2003

Regarding the state of the Eranos Foundation of Ascona

Introduction

This document is intended as a working paper for discussions about the future of the Eranos Foundation (hereinafter "the Foundation") and as a formal commitment by the Foundation to adhere to the proposals outlined herein during subsequent discussions. For this purpose, it is being presented to the current sole administrator, Mrs. Maria Danioth, and is expected to be signed by her

The idea behind the Foundation

Excerpt from the last will and testament of Mrs. Olga Fröbe-Kapteyn, founder of the Eranos Foundation, dated August 25, 1961:

"To continue the work of my life, I establish, under the name 'Eranos Foundation,' a foundation in accordance with Articles 80 and subsequent articles of the Swiss Civil Code. The purpose of the Foundation is to hold annual Eranos conferences in the spirit in which they have been held since 1933 and to publish the respective proceedings in the form of Eranos yearbooks through a publishing house.

To this end, I dedicate the house and land in Ascona, plot 1627 of 1,979 square meters. Additionally, the Eranos Foundation will have the right to purchase from my heir the Gabriella House (plot 1226, 1,795 square meters in Ascona) for the price of CHF 250,000.

The governing body and administrator is Professor Dr. Adolfo Portmann, Basel, Rheinfelderstrasse 14, who has already accepted the role. The Foundation is represented by Professor Dr. Adolfo Portmann with his individual signature." by Mrs. Fröbe-Kapteyn, founder of the Eranos Foundation, excerpt from article 3 of her will of 25 August 1961:

Purpose of the Foundation

To hold annual conferences, called "Eranos Tagungen," in the spirit and according to the intentions of the founder Olga Fröbe-Kapteyn (comparative religion, moral sciences, natural sciences). To compile these conferences into yearbooks published by a publishing house. To create a place of work and rest for individuals active in intellectual fields. For individuals who meet these criteria, at the discretion of the Foundation's board, the Shanti House should be made available for short or possibly long stays, free of charge or for a modest contribution to costs.

Spirit of Eranos:

“Who remembers Eranos, its essence, its secret, the spirit that animated those meetings in Olga Fröbe’s villa in Ascona, on the shores of Lake Maggiore, since 1933? Carl Gustav Jung, Karl Kerényi, Martin Buber, Erich Neumann, Henri-Charles Puech, Henry Corbin, Mircea Eliade, Walter Otto, Giuseppe Tucci, Louis Massignon, Gilbert Durand were only some of the most faithful guests who made that place a forge of European culture in the 20th century.

Above all, we came into contact with the spirit of Eranos, its meaning, and its secret: the idea of a true community of speakers and listeners gathering to share a sacred meal (the name Eranos derives from the Greek *eranos*, the modest meal where everyone brings their food to share ritually in the community). Each speaker, from various disciplines, was animated by the same purpose: 'to present what seemed essential to them for man’s quest for self-knowledge, that is, for the full appreciation of all human experiences that have a lasting and eternal significance.' (H. Corbin)” (Maria Pia Rosati).

Current Situation

- Organizational

The Foundation lacks official statutes and a board of trustees. The will of Mrs. Olga Fröbe-Kapteyn only designated a purpose, appointed the first sole administrator, and outlined steps in case of the Foundation’s dissolution. For all other matters, the Swiss Civil Code applies.

- The Foundation’s headquarters are in Ascona, Casa Eranos Moscia, and it is represented by a single-member administrative board.

- The current sole administrator, with individual signing authority, is Mrs. Maria Danioth, based in Zurich. The Foundation’s notary is Attorney Carlo Luigi Caimi, Lugano.

- The Foundation’s secretary is Mrs. Gisela Binda, Losone.

- As of May 12, 2003, Mrs. Maria Danioth authorized Mr. Bonetti Daniele, from Orselina, to discuss the Foundation’s future organizational structure.

- The supervisory authority for foundations is the Federal Department of the Interior, which, in recent years, has repeatedly proposed the establishment of a Board of Trustees and a Scientific Board to create an organizational structure capable of ensuring the Foundation’s future. It has also suggested intervening directly to impose such a structure.

- Real Estate

The Foundation owns three properties in Ascona (RFD parcel no. 1640 Casa Shanti, parcel no. 1226 Casa Gabriella, and parcel no. 1627 Casa Eranos) and one property in Locarno-Brè (RFD parcel nos. 3128 and 3129 - land and residence).

An appraisal report by Architect Raffaele Cavadini, based in Locarno-Muralto, assigned an estimated value of CHF 8,935,130 to the Foundation's entire real estate portfolio. However, this estimate no longer appears realistic.

A recent appraisal conducted by Wetag Consulting Real Estate estimated the market value of the three properties in Ascona at CHF 7,650,000–8,000,000, with a realistic possibility of sale within 3–9 months.

The property in Locarno-Brè is about to be sold. The final contract value with the buyers should be determined in the coming days and will likely fall below CHF 300,000.

This property has lost much of its value due to a lack of garden maintenance, which has led to overgrowth now officially declared a forest by the competent forestry authorities.

The properties in Ascona are in average condition. At the moment, they do not require extraordinary interventions, provided the current, very basic level of comfort is acceptable.

A desirable, though not imperative, intervention would involve creating parking spaces along the main road and installing a noise-reducing barrier to mitigate the bothersome traffic noise.

Additionally, the issue of expanding and modernizing the library and archive facilities must be addressed, given the importance of the texts and archives. A dedicated space for IT infrastructure, which is now absolutely essential, must also be planned.

- Other

The Foundation owns an interesting and valuable library, currently housed in various properties in Moscia. The most precious part of the collection has been stored away and is not accessible.

The Foundation also owns an archive, which has yet to be fully studied by researchers. Significant materials belonging to the Foundation (which should be part of the archive) have been transferred to two other locations.

It is unclear whether these were loans or donations, and this needs to be verified.

The Foundation possesses magnetic tapes of conferences held between 1968 and 1988. The possibility of transcribing them onto digital media and commercializing the resulting CDs is under consideration.

The copyrights on Eranos publications need to be verified. The director of the Swiss National Sound Archives in Lugano has reviewed these tapes and confirmed their good condition and great cultural value.

- Overview Assets

BALANCE SHEET 31. DECEMBER 2002 (CHF)

(Official Financial Statement for the Federal Supervisory Authority for Foundations AVF)

<u>Assets</u>	2002	2001	
Cash	508.60	60.50	
Postal Account	1'265.48	1'056.08	
SKA Current Account	4'471.65	4'215.15	
Withholding Tax	0.00	11.00	
Transitory Assets	6,989.80	6'876.70	
Stock of Eranos Yearb.	1,500.00	1,500.00	
Real Estate	3'859'748.75	3'859'748.75	
Mobiliar	1.00	2'686.60	
Vehicles	0.00	2'500.00	
 <u>Liabilities</u>			
Creditors	0.00	12'361.90	
Transitory Liabilities	15'842.65	14'922.00	
Fund for English Translations	15'532.30	15'532.30	
Fund for Library Catalog	5'176.85	5'176.85	
Loan from Danioth	60'045.30	0.00	
Loan from Volkart Vision Foundation 1	1'400'000.00	1'400'000.00	
Loan from Volkart Vision Foundation 2	2'082'178.61	2'082'178.61	
Loan from Volkart Vision Foundation 3	103'333.30	103'333.30	
Loan from Volkart Vision Foundation 4	120'000.00	0.00	
Provisions	51'400.00	51'400.00	
Equity	193'751.82	389'554.47	
Loss	-172'775.55	-195'802.65	
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	3'874'485.28	3'874'485.28	3'878'656.78
	=====	=====	=====

The financial statement as of December 31, 2002, shows assets of CHF 3,874,485.28, liabilities of CHF 4,047,260.83, and a net operating loss of CHF 172,775.65.

The main asset positions are:

1. **Real estate properties:** CHF 3,859,746.75
2. **Library and archive:** (approximately USD 2 million)

The main liability positions are:

1. **Debt to the Volkart Stiftung in Winterthur**, totaling CHF 3,705,511.91, broken down as follows:
 - a) **Loan Stiftung Volkart Vision 1:** CHF 1,400,000, with the option of termination at the end of 2003, interest-free until the end of 1997.
 - b) **Loan Stiftung Volkart Vision 2:** CHF 2,082,178.61.

The Volkart Stiftung assumed the credits (but not the contracts) under the following agreements:

- **Rudolf Ritsema:** CHF 507,600.85, as of February 28, 2000, resulting from a Ritsema loan.
- **Maria Danioth:** CHF 295,867.01 + 5% interest, signed on February 20 and 28, 2000, following an agreement dated February 22, 2000, between the Foundation and Mrs. Danioth (Mrs. Danioth contributed CHF 635,081.80 to the Foundation over the years, primarily as donations, including CHF 77,000 for Jay Livernois and his foundation in America, which was never transferred to Jay Livernois).
- **Christa Robinson:** CHF 1,156,144.10 + 1.8% interest, as of February 28, 2000, resulting from a Robinson loan.

c) **Loan Stiftung Volkart Vision 3:** CHF 103,333.30 (bridge loan).

d) **Loan Stiftung Volkart Vision 4:** CHF 120,000 (bridge loan as of March 1, 2001).

2. **Debt to Mrs. Christa Robinson** for renovation work at Casa Gabriella: CHF 51,400.

3. **Debt to Mrs. Maria Danioth** for an operational loan, in addition to a maximum of CHF 100,000 for 2003: CHF 60,045.30.

The main revenues are derived from accommodations (CHF 37,861.60), conference revenues (CHF 5,352.09), and sales of Eranos books (CHF 8,028.07).

The balance sheet as of December 31, 2002 shows assets of Fr. 3,874,485.28, liabilities of Fr. 4,047,260.83 and an operating loss of Fr. 172,775.65.

Others

Off the books: The Eranos library and archive (approximately USD 2 million).

In recent years, the Foundation and a Patronage Committee (Mrs. Maria Danioth, Attorney Fritz Schiesser) have unsuccessfully attempted to secure adequate funds to resolve the financial situation.

The property parcel no. 1226 (Casa Gabriella) is encumbered with a right of residence and usufruct registered in the land registry in favor of Christa Robinson, based on a notarial deed dated February 12, 1993, by Notary Attorney Consuelo Allidi-Cavalleri in Locarno.

This right was granted to Mrs. Robinson by the Foundation following the "Robinson Loan" at 4% interest on the same date and subsequent agreements granted to her by the Foundation.

An assessment of the redemption value of these rights concluded that they are without value, as the costs associated with mortgage loans (CHF 1.5 million) and property management (e.g., gardener expenses) exceed the potential rental income from Casa Gabriella.

These rights could, if exercised, create significant operational issues for the Foundation.

An unregistered right of residence in favor of Mr. Ritsema encumbers parcel no. 1627 (Casa Eranos). This right was granted on March 1, 2000, by the Foundation and countersigned by representatives of the Volkart Stiftung.

As it lacks the proper legal form, it may not bind the Foundation but rather only the signatories.

This right, too, could cause substantial operational issues for the Foundation.

Other agreements exist, such as the one dated January 29, 2001, between the Foundation and Mr. Ritsema, granting a pension of CHF 2,000 per month (retroactively effective from January 1, 2000, under certain conditions) if the Foundation's financial situation permitted it.

It is absolutely necessary to clarify this agreement to avoid jeopardizing Eranos' future activities.

At present, it is unclear what financial agreements and commitments the Foundation has made in recent years. Contact should be established with the Foundation's most recent administrators to clarify the situation.

They must disclose their financial claims against the Foundation. However, the **Federal Supervisory Authority for Foundations** assumes that service on the Foundation Board is honorary. The only exception to this rule concerns, if applicable, the reimbursement of actual expenses and cash outlays.

If the Foundation were to be liquidated, clarity would also be required regarding the renovation work at Casa Shanti and the related invoices.

Some reminders of unpaid invoices from 2000 have recently been received. Here, too, clarity is needed.

There have been proposals from and to the Volkart Stiftung to purchase the Foundation's real estate properties. The base prices range from CHF 4.5 million to CHF 5 million.

Since these proposals were not successful, they should now be considered void.

The Federal Supervisory Authority for Foundations, part of the **Federal Department of Home Affairs**, has frequently criticized the Foundation's financial situation in recent years.

In 1993, it expressed concerns that “the Foundation could find itself stripped of its assets.”

In subsequent years, it requested “more prudent and cautious management of the Foundation’s assets. In particular, cost containment is currently absolutely necessary” (1994).

“The financial situation is very concerning [...] For the supervisory authority, the priority is to select a solution that enables the Foundation to secure the financial means to continue its activities in the long term. [...] Another solution is the partial or total sale of the properties” (2001).

- Activities

Since 2002, the Foundation has not carried out activities aligned with its original purpose.

In autumn 2003, the organization of a “**Tagungen**” (conference) in Italian is planned.

Current activities are focused on:

- **Selling properties** to meet the demands of the Volkart Stiftung, which terminated its loans effective December 31, 2003 (the earliest possible date according to the contract).
- **Securing public and private funding** to address financial obligations due by December 31, 2003, without needing to sell the real estate properties.
- **Various initiatives related to the Foundation's future**, including:
 - Preparing for the autumn “Tagungen.”
 - Establishing connections with the Monte Verità seminar center to explore synergies.

- Developing collaborations with the Locarno International Film Festival.
- Engaging with the cultural department of the Municipality of Ascona to create a listening room for Eranos conferences recorded between 1968 and 1988.
- Collaborating with the Canton of Ticino to organize seminars at Eranos.
- Building ties with the University of Varese to hold seminars and meetings at Eranos.
- Exploring opportunities to bring the most important library of Chinese medicine outside of China to Eranos, while organizing high-level international thematic seminars.
- Developing a work plan to catalog the tapes, furniture, and floor plans of the Eranos properties, among other initiatives.
- As part of the preparation for the autumn “Tagungen,” current efforts include: establishing contacts with the Monte Verità seminar center to explore synergies; developing prospects with the Locarno International Film Festival; engaging with the cultural department of the Municipality of Ascona to create a listening room for Eranos conferences recorded between 1968 and 1988; collaborating with the Canton of Ticino to organize seminars at Eranos; building connections with the University of Varese for seminars and meetings at Eranos; exploring opportunities to bring the most significant Chinese medicine library outside of China to Eranos, alongside organizing high-level international thematic seminars; and defining a work plan for cataloging the tapes, furniture, and floor plans of the Eranos properties, among other initiatives.
 - Future Situation (Proposal)

The Foundation has requested, and continues to seek, assistance from local authorities (Municipality, Patriziato, Tourism Board, etc.), the Canton of Ticino, the Swiss Confederation, universities, institutes, other foundations, and private entities to address past debts and secure subsidies for current management as well as extraordinary interventions (e.g., creation of parking spaces, expansion and reorganization of the library to accommodate 150 meters of shelving for a highly significant and unique collection of books on a specific subject that aligns perfectly with the Foundation’s mission).

Mr. Bonetti has already initiated contacts at all these levels.

A public appeal has already been launched. Newspapers, radio, and, in the future, television have covered and will continue to cover the issue.

A proper, bold, and coherent solution in line with the proposals made by the **Federal Supervisory Authority for Foundations**, part of the Federal Department of Home Affairs, at the time of the creation of the Association of Friends of Eranos, should be able to resolve past disputes.

The Foundation is also requesting the Municipality of Ascona and the Canton of Ticino to join the Foundation's Board of Trustees.

Purpose of the Foundation

A request for the expansion and modification of the Foundation's purpose could be considered. The following additions might be proposed:

- Allowing the rental of rooms and apartments at market rates, as a desirable adjustment.
- Including the principle of renting the hall in Casa Eranos to third parties for conferences, seminars, concerts, and other activities aligned with the spirit and purpose of the Founder.
- Continuing work on the **I Ching** and fostering collaboration with other Foundations, Institutes, and Universities to achieve the Foundation's goals.
- Collaborating with local and cantonal authorities to maintain a vibrant cultural presence within the social fabric of Ticino.

Organizational

The current administrator of the Foundation will create a Foundation Board, a Scientific Council, and establish the Foundation's bylaws in agreement with future members of the Foundation Board.

Foundation Board Members of the Foundation Board will include representatives from public entities, key private donors, the president of the Scientific Council, representatives from the current Foundation, and possibly a representative from a supporting association. The main role of the Foundation Board will be administrative and supervisory. It will ensure the proper administration of the Foundation and represent the Foundation to third parties (except for the responsibilities of the Scientific Council).

Scientific Council The Scientific Council will be appointed for the first time by the Foundation Board or the current administrator. The president of the Foundation Board will automatically be a member of the Scientific Council. If a member resigns or passes away, the Scientific Council will co-opt new members. It will be composed of internationally recognized scientific figures. Its primary task will be organizing the "Tagungen" and supervising other activities proposed by the Foundation Board.

Bylaws The bylaws regulate the organization of the Foundation, its purpose, its organs, signing rights, etc., and should be defined before the creation of the Foundation Board.

Current Management

- The president of the Foundation Board (duties to be defined...)
- The president of the Scientific Council (duties to be defined...)
- An administrative director (duties to be defined...)
- A secretary
- A gardener/handyman

Activities

- The Foundation will reorganize its historical activities, specifically organizing the "Tagungen."

- It will continue with activities related to the I Ching.
- It will propose activities related to the Foundation's past, such as Jungian seminars, etc.
- It will offer, for a fee, the hall at Casa Eranos during times when it is not needed for its own activities, as well as available living spaces in Moscia.
- It will collaborate with foundations, institutes, universities, museums, private entities, and anyone else deemed appropriate in the spirit of the Founder.
- It will seek, within its capacity and according to the Foundation's objectives, dialogue with local and cantonal authorities to be present at the Ticino level as a cultural co-promoter.

Financial

Current Debts

The financial situation is catastrophic regarding past debts. Approximately 4 million francs must be raised as soon as possible, i.e., by December 31, 2003. If not, the Volkart Stiftung, the primary creditor, has already expressed the intention to recover its debts through the forced auction of the Eranos Foundation's real estate.

Another possibility is the voluntary sale by the Foundation of all its real estate. This would result in the loss of what Eranos calls the "Genio Loci Ignoto," that is, its very reasons for existence. The Eranos Foundation without its current spaces in Moscia would practically lose its meaning. A partial sale would not be sufficient, given the large sum to be repaid. Additionally, there are past interest charges on the capital related to the possible sale of Casa Shanti, which would go to the Volkart Stiftung and are estimated at CHF 500,000. This would increase the total sum to 4.5 million francs.

The 4 million needed could decrease if a substantial sum were raised. In fact, the Volkart Stiftung could waive part of its claims against the Foundation in the face of new investors willing to bring capital into the Foundation for its own affirmation.

Current Management

The scenario described below, regarding the operating costs of the Eranos Foundation and Property in Ascona, shows that current management should not present particular financial problems (by utilizing the public subsidies currently granted in the name of Eranos), once the mortgage debts and loans are resolved. The sale of the Locarno-Brè property would also bring liquidity into the Foundation's coffers.

The following scenario for management costs was prepared based on the 2002 budget data and a deliberately conservative estimate of revenues, without considering mortgage debts:

Personnel Costs:

Secretary at 60% (gross salary 5000.-) CHF 39,000.00
 Director at 50% (gross salary 8000.-) CHF 52,000.00
 Gardener at 40% (gross salary 4000.-) CHF 20,800.00

Cleaning 50 hours per month (hourly wage 25.-) CHF 15,000.00
Total Personnel Costs CHF 126,800.00

Expenses: Telephone/Post/Light/Water CHF 10,000.00
Office Supplies CHF 2,000.00
Household Expenses CHF 1,100.00
Travel/Representation Expenses CHF 4,000.00
Maintenance/Repairs CHF 4,000.00
Insurance CHF 10,000.00
Publications CHF 7,000.00
Legal Expenses CHF 6,000.00
Parking CHF 2,400.00
Miscellaneous Expenses CHF 20,000.00
Total Expenses CHF 66,500.00

Total Costs CHF 193,300.00

Revenue: Sale of Eranos Books CHF 8,000.00
Guest Revenue CHF 40,000.00
Room Rental (50 days at 550.-) CHF 27,500.00
Total Revenue CHF 75,500.00

Shortfall in Revenue CHF 117,800.00

Observations:

Mr. Ritsema occupies an apartment free of charge. It is advisable for him to pay rent, estimated at CHF 18,000 annually, which would increase guest revenue.

Guest revenue should also increase if the secretariat is given the task and if the room occupancy increases.

The estimate of room occupancy for 50 days per year should be very conservative, given the initial feedback (also in writing).

The issue of copyright on publications developed at Eranos is open.

The issue of municipal subsidies, the Tourist Office, and Cantonal funds allocated to Eranos, but which today go entirely to the Friends of Eranos Association (unrelated to the Foundation), estimated at CHF 65,000 annually, is unresolved.

The issue of federal, patrimonial, and other subsidies is also open.

Final considerations:

Final Considerations:

This document should be considered, as stated at the beginning, as a working document for discussions on the future of the Eranos Foundation and as a formal commitment from the Foundation to respect the proposals outlined here during such occasions.

In recent months, I have managed to involve municipal and patrimonial authorities from Ascona, the Canton of Ticino, private individuals (through external contacts), a group of external supporters through the public appeal (which led to press, radio, and various private individuals addressing the difficult situation of the Eranos Foundation), people associated with the Foundation, universities (Ticino through cantonal authorities, Varese through Prof. Claudio Bonvecchio), etc., in the project to rescue the Foundation.

The current sole administrator is based in Zurich, does not know the reality of Ticino, and does not speak Italian. At this point, to successfully complete the negotiations aimed at resolving the debt situation with financial support from local, cantonal, and private authorities and ensure financial management for the next 10 years, it is absolutely necessary for the Foundation to appoint a representative in Ticino for these negotiations.

In my opinion, this person must have a precise knowledge of the Foundation's debt and administrative situation, its objectives, the Foundation's history, and a strong sensitivity to the reality of Ticino. This person must also hold an official position within the Foundation and have signing authority to represent it. Only in this way can the resolution of the catastrophic financial situation be carried out in alignment with the Foundation's objectives and prevent future legal actions.

The Volkart Stiftung has had a relationship with the Foundation for many years, since the time of Mr. Corti. In recent years, the Volkart Stiftung has committed to the Foundation by providing a significant loan and redeeming the considerable personal debts of past administrators and Ms. Danioth. Since the Volkart Stiftung, despite knowing the Foundation's heavily negative financial statements, has continued its substantial financial commitment, it would be highly desirable for it to become involved in seeking a lasting financial solution for the Eranos Foundation. Its assistance at the Swiss-Foundations Foundation could also be of great help.

Any path chosen to save the Foundation must align with its objectives. The Foundation's objectives do not foresee, in fact, exclude, a voluntary sale of the properties in Ascona by the Foundation. Therefore, the ultimate attempt to save the Foundation's properties from forced liquidation (non-voluntary public auction) must also be understood as a legally required effort by the Foundation's administrators, and any potential sale must be authorized by the Foundation's supervisory authority. On the other hand, a judicial sale would open the whole issue of liabilities, as the law does not allow the reduction of the initial capital (restricted assets, in this case, the real estate properties in Ascona) of a Foundation for its own functioning.

At this point, it is desirable, if not imperative, that all current and past actors, who have played a role in the Foundation, ask themselves with sincerity what future they want for the Eranos Foundation and act accordingly, even by renouncing financial claims, or giving up any form of commitment that is not compatible with the Foundation's initial objectives. This would definitively help the Foundation overcome the current crisis, close the chapter on past issues, and allow for a new beginning marked by transparency and enthusiasm.

The Eranos Foundation and the spirit that has inspired it from the beginning are not dead. It can still do much in the future for regional and universal culture, and for the peace and growth of civilization.

The signatures collected so far on the public appeal demonstrate how much interest the Foundation still generates.

A collective effort can save this Foundation, to which we all owe gratitude for what has been done in the past.

Even the property at Moscia on the lakeside in Ascona would remain available to the public; a wonderful place for everyone to enjoy.

Ascona-Eranos, June 5, 2003

Daniel Bonetti