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An Introduction to Bitcoin & Blockchain

How To Buy Bitcoin



Cash App

Square, Inc. Finance

E Everyone

i This app is compatible with your device.



Coinbase - Buy Bitcoin & more. Secure Wallet.

Coinbase, Inc. Finance

E Everyone

i This app is compatible with your device.

Why Bitcoin Will Disrupt...Everything

An introduction to cryptocurrencies and blockchain technology and an overview of how they are changing business and finance

The Dark Side

Money Laundering | Terrorism | Sex & Drug
Trading Computer Ransom | Capital Flight |



14 NOV 2017 NEWS

Americans Mainly See Bitcoin as a Tool for Criminals



HSBC Judge Approves \$1.9B Drug-Money Laundering Accord

Christie Smythe

July 3, 2013, 3:06 PM CDT

HSBC Holdings Plc's \$1.9 billion agreement with the U.S. to resolve charges it enabled Latin American drug cartels to launder billions of dollars was approved by a federal judge.

\$1.7-billion payment to Iran was all in cash due to effectiveness of sanctions, White House says



BUSINESS

POLITICS

TECHNOLOGY

THE PLAYERS

Levin Report

EXPLOSIVE REPORT SUGGESTS VAST COVER-UP AT WELLS FARGO

Ex-employees say Wells Fargo branches held late-night shredding sessions to hide evidence of a widespread scheme to create millions of fake customer accounts.



Trending

Understanding the Libor Scandal

The manipulation of interbank lending rates by a host of global financial institutions could have significant repercussions for financial markets, consumer loans, and regulatory policy.

Backgrounder *by* James McBride

Last updated October 12, 2016

Rabobank pays to resolve money laundering probe in US

7 February 2018

f t v e Share



A subsidiary of Dutch bank Rabobank has agreed to pay more than \$368m (£265m) to resolve a US investigation of its anti money laundering policies.

The US **said the bank "chose to look the other way" when faced with millions of dollars in transactions indicative of criminal activity.**

Rabobank also pleaded guilty to trying to obstruct the examination of its policies.

Google Search: Money Laundering Banks

Commonwealth Bank profit falls amid money-laundering scandal

Six-month cash profit down 1.9% after bank set aside \$375m provision against potential fines



▲ The Commonwealth Bank reported a half-year profit fall in its final results under outgoing CEO Ian Narev. Photograph: Daniel Munoz/Reuters

The Commonwealth Bank has seen its half-yearly profits fall after it was forced to set aside \$375m as provision against potential fines for alleged money laundering and funding of terrorism.

I Believe...

Improve dignity of mankind

“Human costs always include economic costs, and economic dysfunctions always involve human costs”

Caritas in Veritate, Pope Benedict XVI, 2009

Bitcoin Doesn't Care...

Race. Religion. Color. Caste. Age.
Gender. Geography. Politics.

Bitcoin is...

Censorship Resistant. Transnational

Borderless. Global. Permissionless

Chicago Board Options Exchange OEX PIT circa 1996





Chicago Board Options Exchange March 27, 2017



Operating Under a New Normal



UBER

No Taxis
\$50- \$70 billion



facebook

Creates No Content
\$518 billion



airbnb

No Hotels
\$30 - \$ 50 billion



Alibaba Group

Owens No Inventory
\$477 billion

No CEO
No Branches

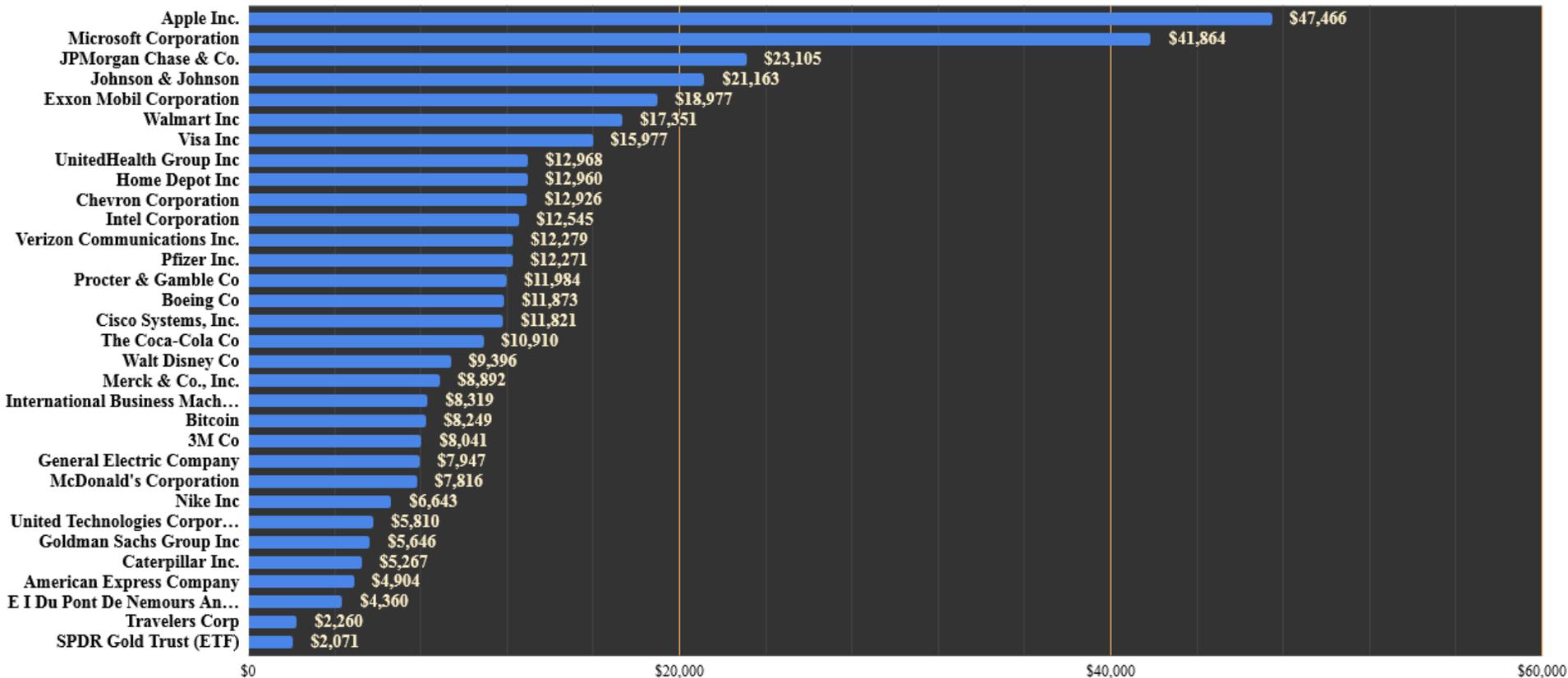


No Service Desk
No Gov't
\$141 billion

An Introduction to Bitcoin

- The Creation of Bitcoin
 - What is Bitcoin?
 - Centralized vs
Decentralized
-

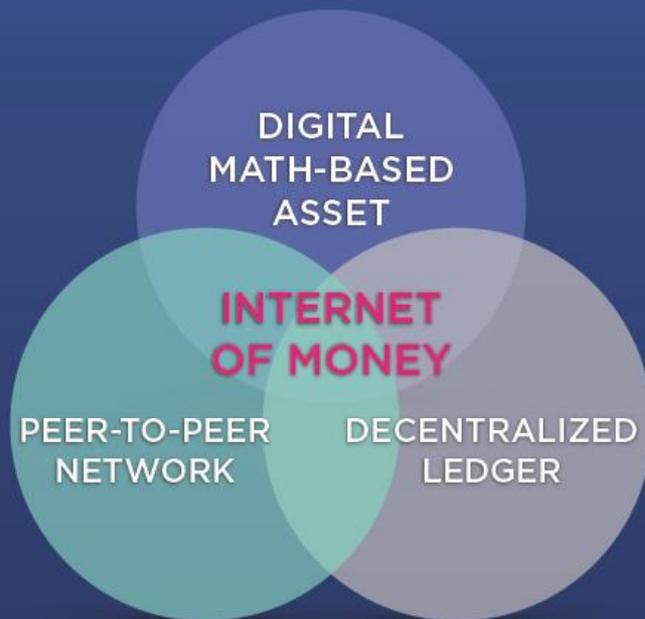
Market Cap Comparison 2/10/2018



What is Bitcoin?

WHAT IS BITCOIN?

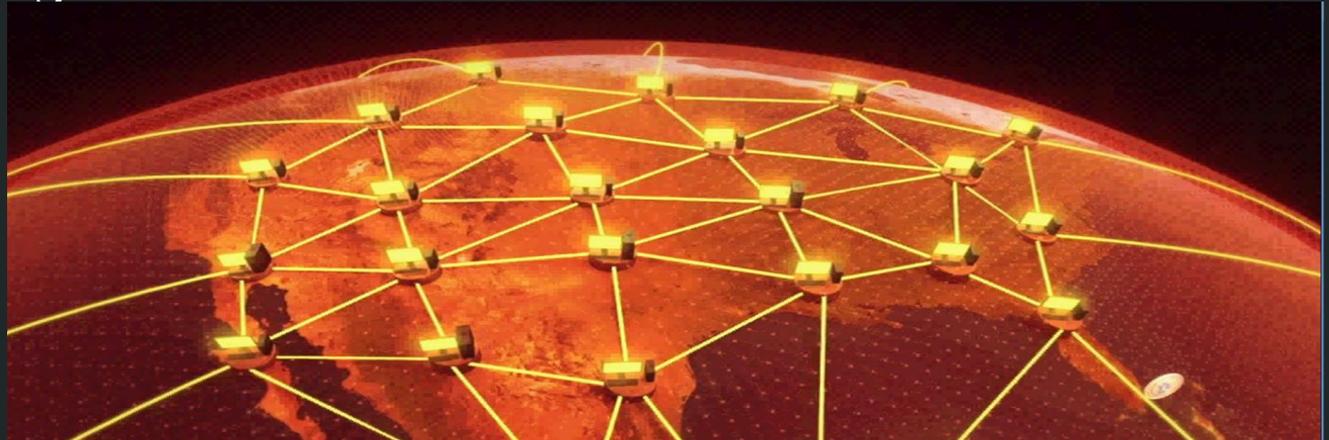
- Bitcoin (capital “B”) is a **peer-to-peer network** that maintains a public **decentralized ledger** of **digital math-based assets** known as bitcoins (lowercase “b”). The integrity of this ledger is backed and secured by a subnetwork of computers (**miners**) who audit and archive its transactions for a reward.
- The supply of bitcoins is fixed at **21 million** and each bitcoin can be divided into a **hundred million pieces**.
- Their ownership cannot be changed within the ledger without instructions from their current owner that have been cryptographically authenticated (**digital signatures**) by a majority of nodes on the Bitcoin network. In essence, “sending a bitcoin” is sending instructions to the network to make a change of custody in the public ledger.
- These attributes make the Bitcoin network a financial network, or the **“Internet of Money”**.



What is Bitcoin?

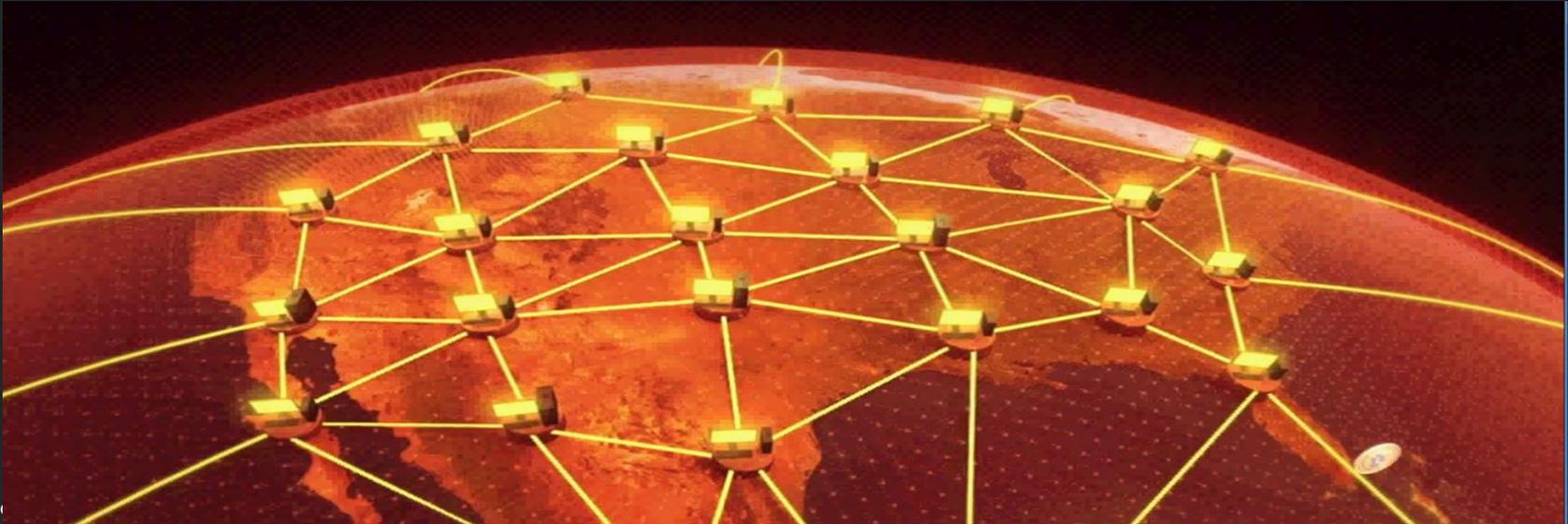
Bitcoin is a revolutionary technology which enables a new way to send payment over the internet.

Think of it as an open accounting system of thousands of computers all over the world work together to track ownership of digital tokens called “bitcoins”.



What is Bitcoin?

When you send someone bitcoins, the transaction is broadcast to the entire network. After its verified it's recorded in a public ledger called a **blockchain**.

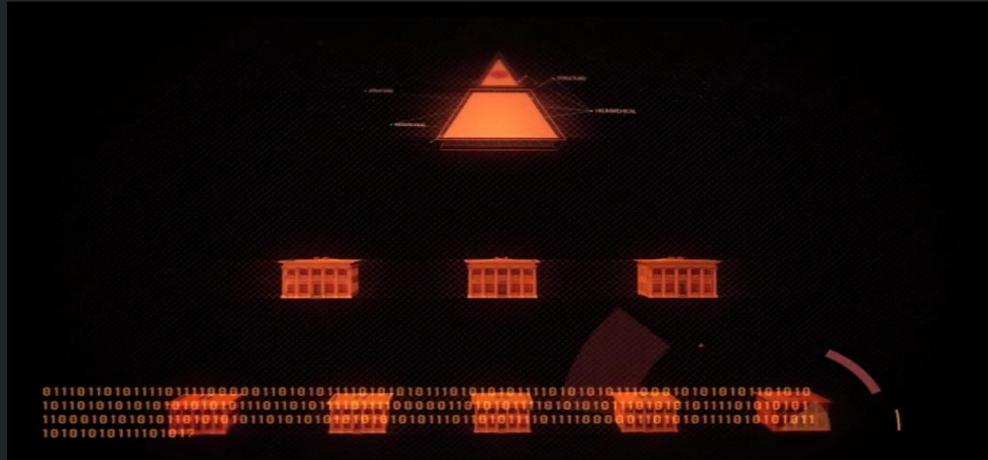


Si

What is Bitcoin?

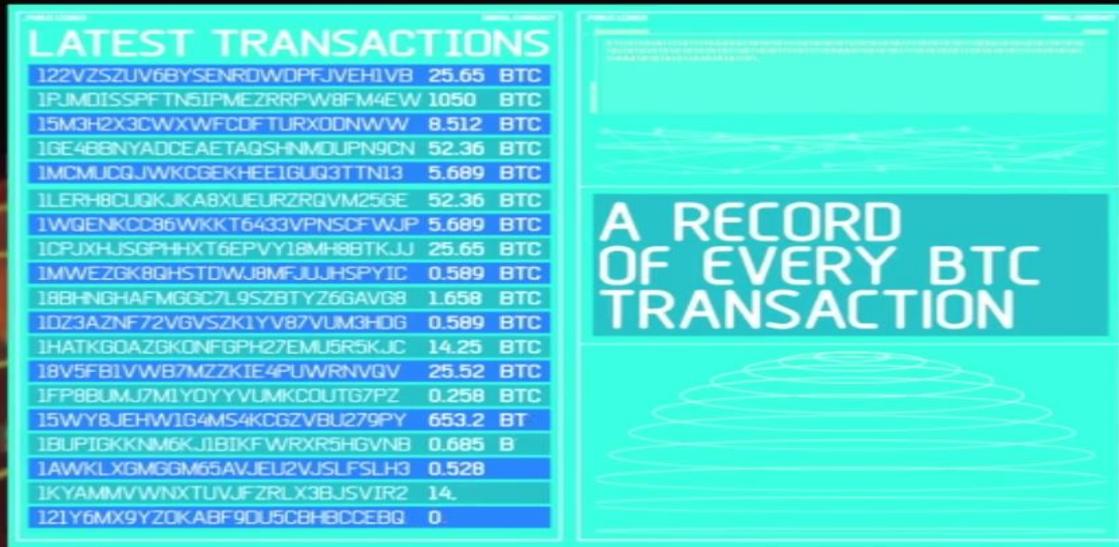
Most currencies are **issued by central authority** in charge of managing the money supply.

Bitcoin is a **peer to peer system** so there is **no central authority**. Bitcoins are issued to users who help process the transactions on the network.



What is Bitcoin?

The blockchain keeps a record of every bitcoin transaction that has occurred since the system began in 2009. It's shared and maintained on the network. **Everyone “keeps the books”**.



LATEST TRANSACTIONS		
122VZSZUV68YSENROWDPFJVEH1VB	25.65	BTC
1PJM0ISSPFTN5IPMEZRRPW8FM4EW	1050	BTC
15M3H2X3CWXWFCDFTURXODNWW	8.512	BTC
1GE486NYADCEAETAQSHNMDUPN9CN	52.36	BTC
1MCMUCGJWKCCKGKHEE1GUG3TTN13	5.689	BTC
1LERH8CUQKJKABXUEURZRGVM25GE	52.36	BTC
1WGENKCC86WKKT6433VPNSCFWJP	5.689	BTC
1CPJXHJSGPHHXT6EPVY18MH88TKJJ	25.65	BTC
1MWEZGK8QHSTDWJ8MFJJJHSPYIC	0.589	BTC
18BHNGHAFMGGC7L9S2BTYZ6GAVG8	1.658	BTC
1DZ3AZNF72V6VSZK1YV87VUM3HDG	0.589	BTC
1HATKGOAZGKONFGPH27EMU5R5KJC	14.25	BTC
18V5FB1VWB7MZZKIE4FUWRNVGV	25.52	BTC
1FP8BUMJ7M1YDYYVUMKCDUIG7PZ	0.258	BTC
15WYBJEHWJG4MS4KCGZVBU279PY	653.2	BT
1BUP1GKKNM6KJ1BIKFWRXR5HGVB	0.685	B
1AWKLGXMGGM65AVJEU2VJSLFSLH3	0.528	
1KYAMMVVWNXTUVJFZRLX3BJSVIR2	14.	
121Y6MX9YZOKABF9DU5CBH8CCEBG	0	

Source:

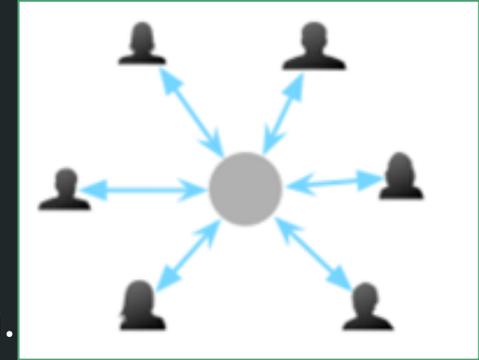
What is Bitcoin?

No single institution controls the bitcoin network.

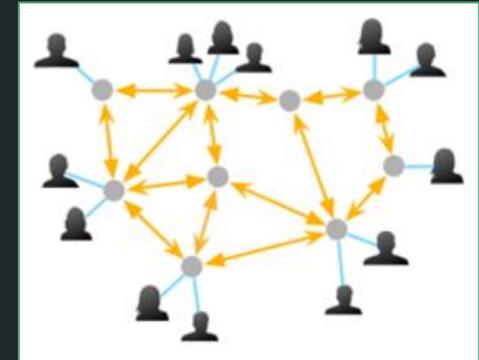
Decentralization allows for users of bitcoin to operate outside of the confines of bank holidays and fees.

Users need no form of identity or residency documentation.

CENTRALIZED



DECENTRALIZED



What is Bitcoin?

Send money {value} from any point in the world, to another point instantaneously, securely without a bank.

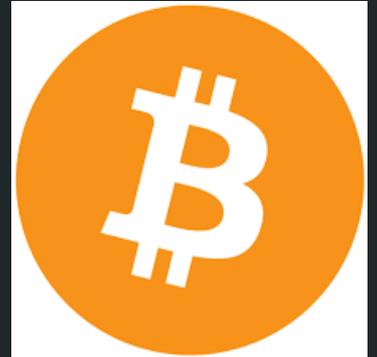
It's a currency AND a Payment network in one



+



=



What is Bitcoin?

The distributed nature of the blockchain ledger adds a level of resiliency and redundancy that is unmatched in the current payment processing space.

No central point of failure

User “opt in” or “opt out” at will

What is Bitcoin?

Bitcoin system equally distributes authority to all users.

Entire system is governed by the mathematical protocol which clearly lays out the never-changing rules of the system.

Will never favor the system over the users of the system because the users ARE the system.



“There is not a single instance until bitcoin, of a truly trustworthy form of money, one whose value was constrained not by the laws and weaknesses of man, but by the universal laws of mathematics.”

CNBC News – December 9, 2014

Bitcoin is the New Gold

GOLD STANDARD

1816



Gold is England's official standard of value, and England mints the one pound gold coin the "sovereign."



1879



Gold is the United States' official standard of value.

FUN FACT:



The U.S. abandoned the gold standard in 1933, just 54 years after adoption!

An Introduction to Blockchain

“...How Badly Financial Services Needs Disruption

- ~ 3 billion global citizens with no banking facilities
- 2.5 billion more “underbanked” w/o credit or ID
- Western Union Fee 7% -30% per transaction
- Nicaragua
 - 60% of population lives below poverty line
 - 19% have a formal bank account
 - 14% able to borrow but have
 - 10% of its GDP are remittances
 - 93% own prepaid cellphones**

An Introduction to Blockchain

- A Distributed Ledger
- Public Key Cryptography
- Fraud Prevention
- Thousands of Blockchains
- Supply Chain Solutions
- Banking the Unbanked
- Global Remittance

Database Master - Slave Relationship



Blockchain Database

- Peer to Peer
- Perfectly Synced
- Encrypted
- No Centrality



Excel- Centralized Ledger

	A	B	C	D	E	F
1	3/13/2017 18:04					
2	Buyer Address	Sender Address	Amt Sent	Amnt Rcvd	Transaction Fees	
3	19oXekcFt7kbkSgXC1rbviLHmLaPUw7sjg	1Fq627T44dw4eerA7Wk6MX7ATjMYPyokvs	\$ 422.85	\$ 420.13	\$ 2.72	
4						
5						
6	1NrPF9iBgjVfpEkkV2JkekyFFvuuM9f25T (\$ 68.21 - Output)					
7	1s8uztgKZzCmbdJkwDoN5HD5AvHnRonrd (\$ 0.89 - Output)					
8	1LiYrzHY9guwEUPx42DTnmGNZmKbPNBQQQ (\$ 77.15 - Output)					
9	1MbnFc8xHdDBj7KAQL8SDGsz8aYUYyj3uB (\$ 2,169.97 - Output)					
10	1EDtYido8GCFENAVmn7qTjuwsTLYedPFhP (\$ 285.37 - Output)					
11	13Ljk9p4xkVtaggwM2f8nZCZB2ziwLkhPJ (\$ 4.05 - Output)					
12	18S1ktfQGyZRdFRGenHzsKVA37vYVXajSD (\$ 12.40 - Output)					
13	12iD9VuYUCLpXJeT95EA3NqGrlzrE7bLuS (\$ 12.19 - Output)					
14	1LjyDENCuHHpzCjTpPB9WLwv1CUZ4Cwtnj (\$ 346.45 - Output)					
15	1BCaC7JkmAwZ87dzutHXH7XWk5dWMj5cCQ (\$ 12.40 - Output)					
16	1KtarYV8k4NUXCXfnNQYf1UGSqfEmBtF3X (\$ 619.83 - Output)					
17	12ZxaeEa55MhWampGyUD5oPxfsuVHplZS3 (\$ 7.75 - Output)					
18	1JYcRwMVjbFp2BCDThRAP8k5MYc8vj1mRt (\$ 864.79 - Output)					
19	1D78zbZJBscrjA8yw4aLu6hxELs7XtF9r1 (\$ 8.58 - Output)					
20	19u87GjgCRbjcr7xfynbAJGjKLGQRNhTSD (\$ 101.86 - Output)					
21	1Dw1D67uxMqpv9ibpu6ubWEi5jVe792Qr (\$ 221.22 - Output)					
22	14zdkm131L32mEFnEAqnaH6ZzJ6LgwuX6q (\$ 102.28 - Output)					
23	18Ajn2N7HWUHUyoyVK4g8cuT9FvbcW9Arp (\$ 6.01 - Output)					
24	1MoPCQQGZkJsqWNAMtLei7ATecWovLeMTu (\$ 160.83 - Output)					
25	1AUWuY9MLc2AzW9Yi41ivqS9wMkeV5EPke (\$ 74.50 - Output)					

Google Sheets-Decentralized Ledger

The screenshot displays the Google Sheets interface. At the top, there is a green header with the Google Sheets logo, a search bar, and navigation icons. Below the header, the 'Start a new spreadsheet' section features a grid of templates: 'Blank' (a green plus sign), 'Annual budget tracker' (a document with a red header), 'To-do list' (a green header with a checklist), 'Monthly budget' (a document with a bar chart and '+50%' text), and '2017 Calendar' (a calendar grid). The 'TEMPLATE GALLERY' label is positioned to the right of these templates. Below the templates, a 'Today' section shows a list of recent spreadsheets. The first entry is 'SP_1500_Agile_Ratings', owned by 'Eric Larissa Hanson' and last opened at '12:18 PM'. The interface includes standard Google navigation elements like the hamburger menu, search, and user profile icons.

Google Sheets

Search

Start a new spreadsheet

TEMPLATE GALLERY

Blank

Annual budget tracker

To-do list

Monthly budget

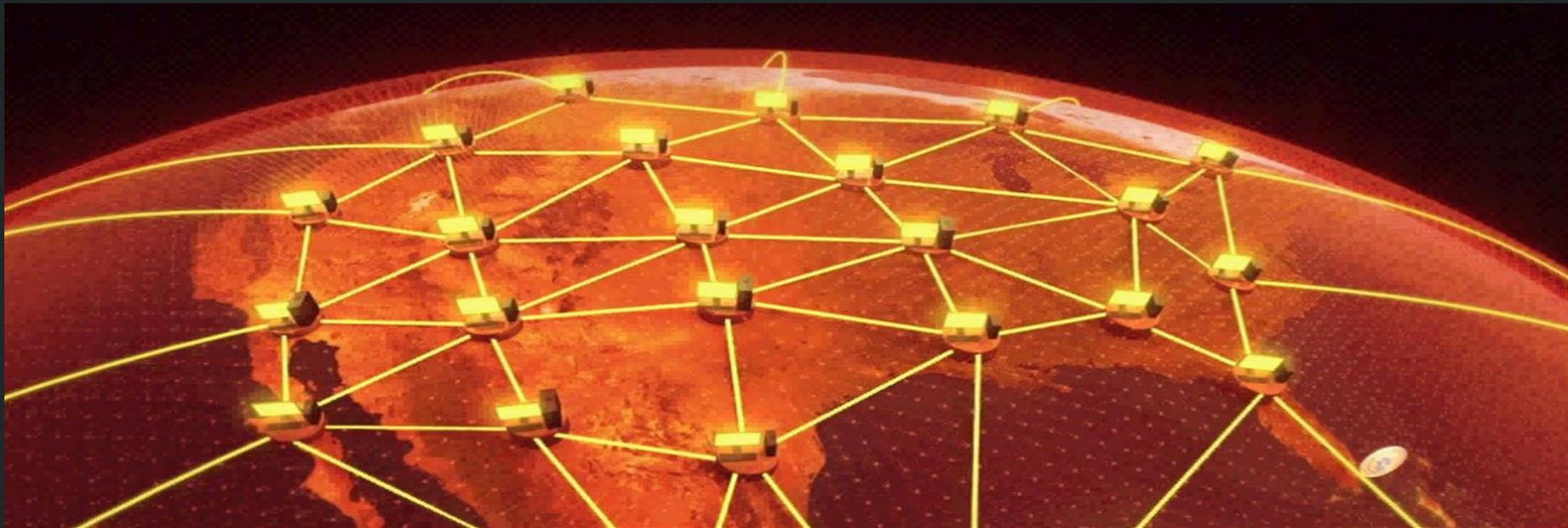
2017 Calendar

Today

Owned by anyone Last opened by me

SP_1500_Agile_Ratings Eric Larissa Hanson 12:18 PM

Blockchain - Distributed Ledger





- Inventor Charles Darrow
- 15,140 supply of currency
- Bank trusted intermediary
- Bank releases tokens
- Consensus by players
- Rules based game
- Inspired “one off” games



- Inventor Satoshi Nakamoto
- 21M supply of currency
- Network trusted intermediary
- Miners release tokens
- Consensus by miners
- Rules based value transfer
- Inspired ETH, XRP, ZEC

The Promise of Blockchain Is a World Without Middlemen

by Vinay Gupta

MARCH 06, 2017



SAVE



SHARE



COMMENT



TEXT SIZE



PRINT

\$8.95

BUY COPIES



“On the one hand, eliminating the middleman would result in lower costs, increased sales, and greater customer satisfaction; on the other hand, we’re the middleman.”



“On the one hand, eliminating the middleman would result in lower costs, increased sales, and greater consumer satisfaction; on the other hand, we’re the middleman.”

Blockchain Attributes

- Integrity of network is encoded in every step of the process
 - Solves “double-spend” problem
 - Distributed computing power spread thinly across a global network
 - Network security provides no single point of failure
 - Each user gets two cryptographic keys. One private; one public
 - Ultimate privacy protection because identity is not needed
-
- Real time audit trail and reconciliation of transactions
 - To be “in” a blockchain network, means to obey the rules of the network protocol
 - Multi-signature feature available to exercise control over release of funds
 - Immutable database gives control back to the owner of the data
 - Data is spread so thin, there is no central point of attack

Blockchain Use Cases

- Trusted attestation between unknown parties
- Banks can reduce \$20 B of back office expenses
- Remittances take 2 to 7 days to settle; blockchain can settle in a fraction of a second
- Stock, option, bond and futures Exchanges can trade 24/7/ 365 with a perfect audit trail
- T+3 stock, option /futures trades clear < 10 minutes

Blockchain Use Cases

- SWIFT payments takes days to clear. Blockchain reduces to 8 seconds ex: Ripple
- Real time risk management trade execution reduces counterparty risk of default pre settlement
- Proxy voting via smartphone possible
- Pension & stock lending will know location and owner of assets
- Execution of “smart contracts” will replace need for escrow companies

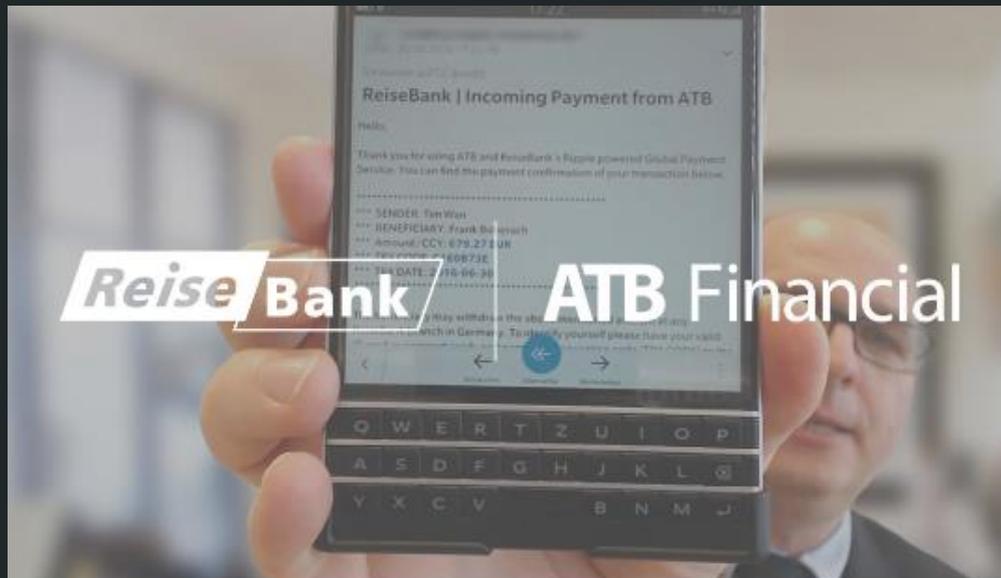
2013 International Wire Transfer Took 23 Days



Bitcoin Takes About Than 10 Minutes



Ripple Bank Network Takes About 8 Seconds



ATB FINANCIAL - REISEBANK REAL MONEY TRANSFER

Watch a live transaction of \$1,000 from ATB Financial in Canada to Reisebank in Germany, taking place over RippleNet.

It is faster to mail an anvil to China than it is to send money through the banking system to China.” *Erik Voorhees*

“Money is already digital, it’s not like they’re shipping pallets of cash when you do a wire.” *Erik Voorhees*

“...you can send one-thousandth of a euro or one-millionth of a euro, you can send a billion or a trillion euros.

The fee will be exactly the same, because fees depend on the size of the transaction in kilobytes, not on the amount or content.” *Andreas M. Antonopoulos*

Banking the Unbanked

“2.5 billion of the world’s adults don’t use banks or microfinance institutions to save or borrow money” (Research from [McKinsey & Company](#))

Unbanked people remain at an economic disadvantage because they have no way to easily conduct business on a global level (among other things)

Blockchain has provided a solution. Users are not required to have identification documents so they can exchange monetary value with cryptocurrency.

Traditional banks have yet to provide a working solution for this problem.

2017-18 Cryptocurrency Market Capitalization

April '17	\$29 billion
May '17	\$54 billion
Nov '17	\$200 billion
Jan '18	\$880 billion
Feb '18	\$378 billion



BITCOIN

SWITCHING FROM INVESTMENT COMMODITY TO EVERYDAY USE



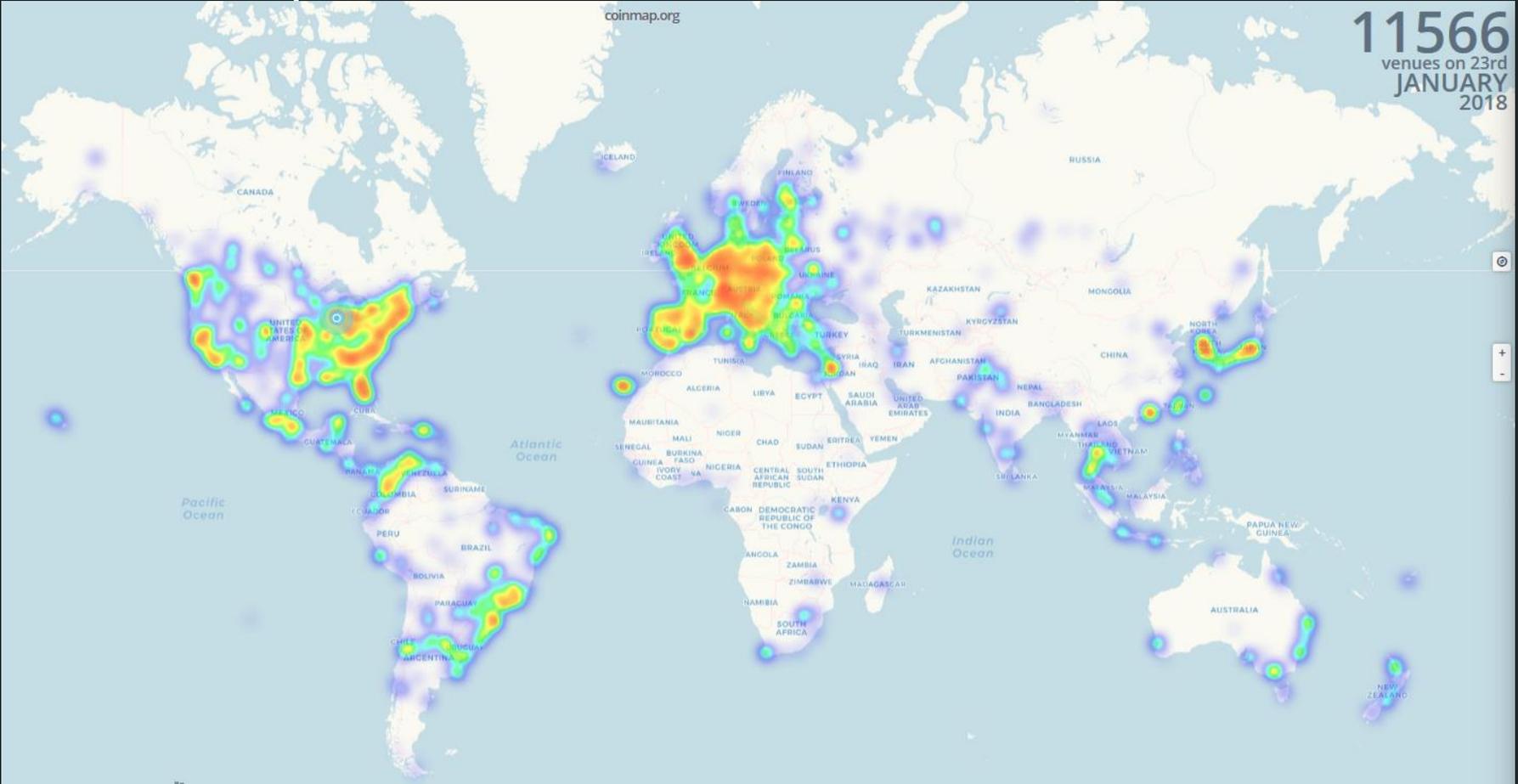
TOP 10 BIGGEST
BITCOIN ACCEPTING MERCHANTS



NOW
ACCEPTING
BITCOIN:

Microsoft
Dell
Sears
Gap
GameStop
Home Depot
Etsy
Shopify
Tesla
etc.....

Global Acceptance of Bitcoin



Source: www.coinmap.com

Financial Services Needs Disruption

- ~ 3 billion global citizens with no banking facilities
- 2.5 billion more “underbanked” w/o credit or ID
- Western Union Fee 7% -30% per transaction
- Nicaragua
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“It took Western Union 150 years to build 500,000 points of sale around the world. What is the point today, when more than half the world’s population owns a cellphone?”

[HOMEPAGE](#) / [News](#) / [Top stories](#) / [21 days of M-Shwari: 645,000 clients, KSh. 150 million saved](#)

21 days of M-Shwari: 645,000 clients, KSh. 150 million saved

Staff Writer

 December 18, 2012



 **0 Comments**

75% of Kenyan Economy Uses a Cell Phone



Source: CNN.com

6 Ways To Profit
Blockchain
&
Digital Currency

1

Day Trading Digital Cryptocurrencies



2

Become a Cryptocurrency Miner



3

Invest in a Mining Farm

Mining Rig Solutions, LLC



MGT IS CRYPTOCURRENCY

SECURING OUR TECH FUTURE



4

~~Invest~~ Speculate in a Crypto Hedge Fund

Polychain Capital

Numerai

Rex Capital

Tetras Capital

Walden Bridge

Wyre Capital

Neural Capital

Galaxy Partners

Hazoor GP

Multicoins Capital

Distributed Alpha

First Block Capital

...and many more

5

Initial Coin Offering



FAST & MESSY: We are creating a alternative to Medium. Fresh investing experience.
banking services for crypto currency.
Dec 10, 2017 - 7 min read

Medium

Top 10 ICO Projects To Watch in 2018

Blockchain Companies

A portfolio of U.S. companies providing hardware, software and consulting services seeking to monetize the coming revolution of public and private blockchain technology

BLOCKCHAIN ENTERPRISE INVESTMENT STRATEGY

IS A PORTFOLIO OF U.S. COMPANIES PROVIDING HARDWARE, SOFTWARE AND CONSULTING SERVICES SEEKING TO MONETIZE THE COMING REVOLUTION OF PUBLIC AND PRIVATE BLOCKCHAIN TECHNOLOGY

ADDRESS

141 FERNWOOD DR.
GLENVIEW, IL 60025

CONTACT

847.686.4800
INFO@CENACLECAPITAL

WEBSITE

CENACLECAPITAL.COM

CENACLE CAPITAL MANAGEMENT, LLC

The BLOCKCHAIN ENTERPRISE INVESTMENT STRATEGY provides an efficient way for investors to own a basket of companies listed on U.S. Exchanges seeking to monetize Blockchain technology.

ABOUT THE STRATEGY

The portfolio construction was designed to offer a convenient diversification across market capitalization, equity style and business focus. As a separately managed account strategy, the offers intraday liquidity and portfolio transparency.

EQUAL WEIGHTED HOLDINGS

ACCENTURE | CME GROUP | IBM | INTEL | JP MORGAN
MICROSOFT | TAIWAN SEMICONDUCTOR | XILINX | UBS
CISCO | NVIDIA | BNY MELLON | SANTANDER | STATE STREET |
WESTERN DIGITAL

NUMBER OF HOLDINGS | 28

AVERAGE MARKET CAP | \$107 billion

FEES AND EXPENSES

The information below describes the fees and expenses that you may pay if you participate in the strategy. Portfolio holdings and allocations are subject to change at any time and should not be interpreted as an offer of these securities.

The fees are expressed as a percentage of your investment. This table and the example below do not include the brokerage commissions that investors will pay due to initial entry, re-balancing or liquidation.

Management Fee 0.75%

Expected Annual Dividend Income 2.37%

Upside 6 mo. probability +34.4%

Downside 6 mo. probability -21.6%

Potential Annual Return +12.83%

Blockchain Enterprise Investment Strategy

companies include...

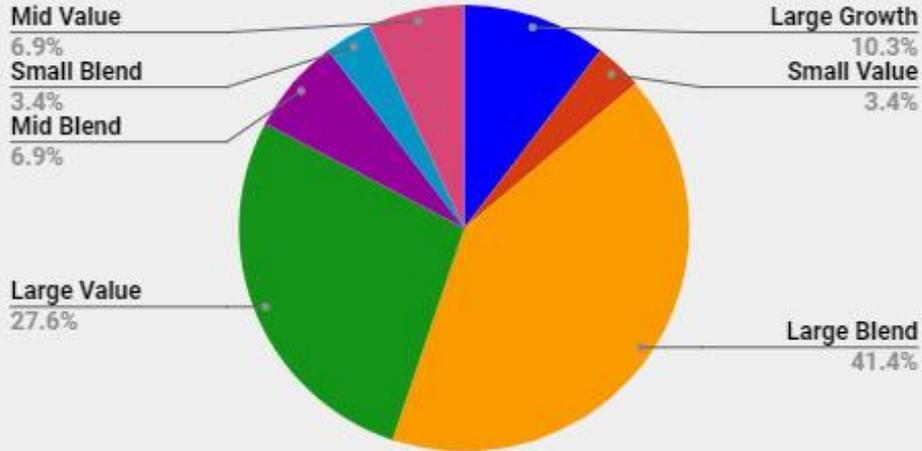
- Accenture
 - Advances Micro Devices
 - BP Oil
 - BNY Mellon
 - Cisco
 - CME Group
 - IBM
 - Intel
 - JP Morgan
 - Santander
 - Xilinx
 - Overstock
-

Blockchain Enterprise Investment Strategy

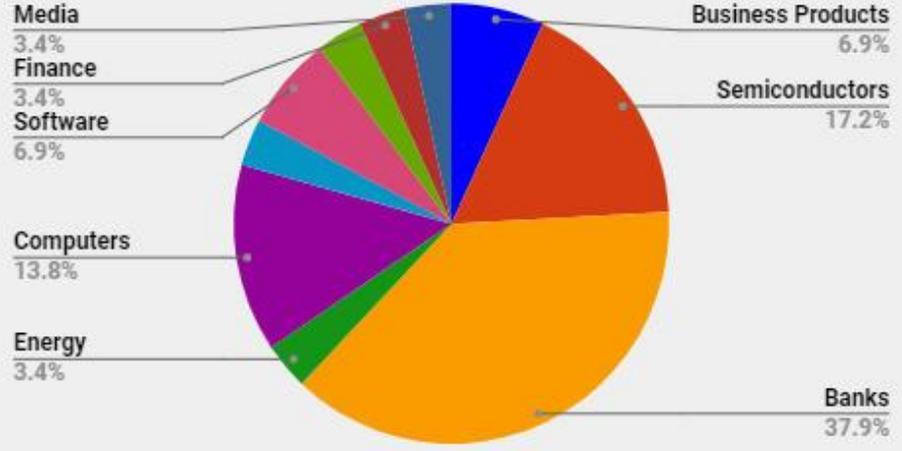
Backdated Return Comparison- (inception 12/31/2015)

BEIS +72.28%
SPX + 28.16%
NDX100 +39.55

Equity Style



Sub Sector Breakdown



How You Can Help

- Speaking Engagements
- Blockchain Enterprise Investment
- **LinkedIn**
- www.linkedin.com/in/billulivieri/
- **Download Presentation**
- <https://cenaclecapital.com/faqs/blog/>

info@cenaclecapital.com
847.686.4800

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