



Open Blockchain Networks and Cryptocurrencies:
What they are and why they matter

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coinbase



CIRCLE

kraken

ripple

DIGITAL
CURRENCY
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USV Union Square Ventures



GRAYSCALE

CUMBERLAND
A DRW COMPANY



ANCHORAGE

POLYCHAIN
CAPITAL



Protocol Labs

0x

Inter/stellar

etoro



BLOCKSTACK

COINLIST



TrustToken



ELECTRIC COIN CO.

Decent



HANGAR



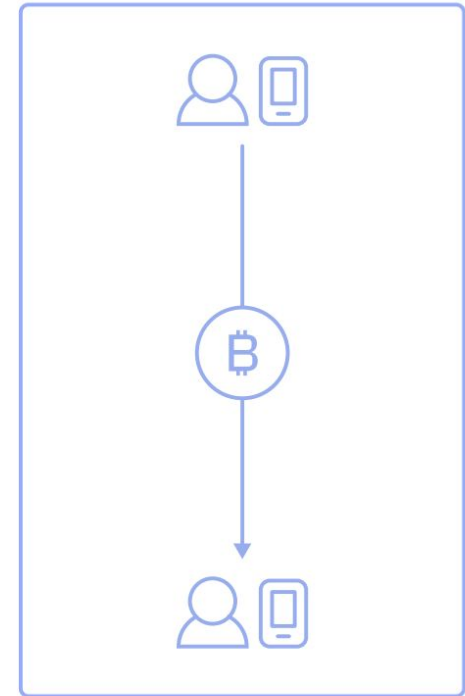
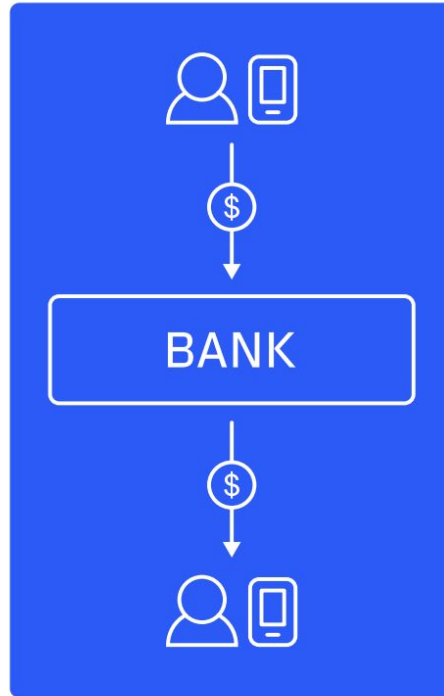
WICKLOW
CAPITAL



To understand cryptocurrencies, we must first understand open blockchain networks

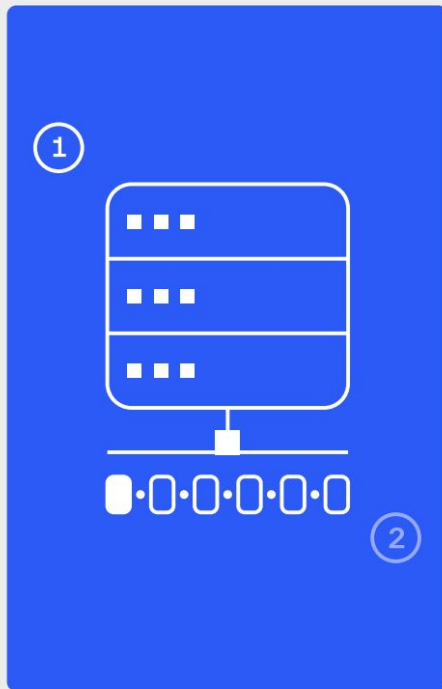


Decentralization
eliminates the
centralized middleman

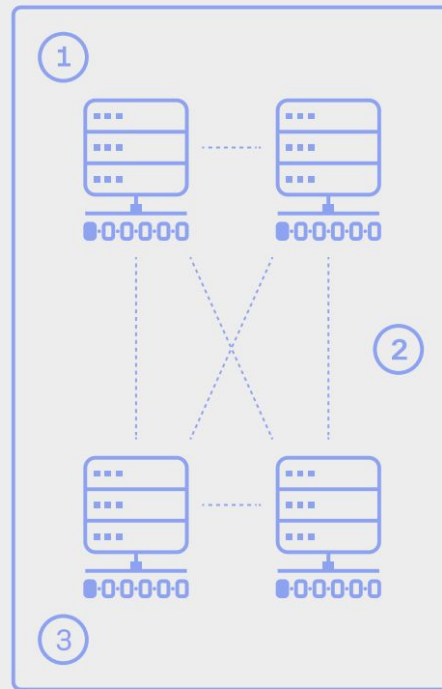




Open blockchain networks are the infrastructure of decentralized systems



1. Hardware and proprietary software that run the digital service from a central server



1. Consensus mechanism that allows computers on the network to reach agreement



Open blockchain networks address shortcomings of centralized services

	Traditional Centralized Service	Open Blockchain Network
Security	Single point of failure makes data centers vulnerable to attack	Encryption of data and decentralization of data makes cyber attacks difficult
Privacy	Business model often based on selling consumer data	Allows for individual control of personal data
Competition	Economies of scale for large organizations; massive proprietary data sets encourage monopoly power	Easy for individuals and small businesses to “plug in;” personal ownership of data allows for portability



Cryptocurrencies are the fuel of open
blockchain networks



Cryptocurrencies are an integral and essential part of open blockchain networks



Service Integrity

Token interacts with the network software to ensure that the service is correctly administered



Enhanced Payments

Tokens enable instant low-cost micropayments



Incentive

Token rewards individuals and businesses for contributing to the operation of the network



In 2014 the IRS deemed “virtual currency” to be property, therefore capital gains tax rules apply to cryptocurrency transactions.



Thank You