Don’t buy beer with your bitcoin

By Hopeton Smalling
a.k.a. The Black Picasso

ISBN:

DEDICATION

This book is dedicated to the individuals, households, and firms in my community who fight every day for survival and those who make the world a better place. You are in my community if you are in the free world and live in a rural or an urban setting. Additionally, you are part of my tribe; if you are outside of the United States known as the Land of the free and home of the Brave, I still consider you part of my community. In life, we can't choose our parents. I was born in the Bronx, New York, and raised in Jamaica, Queens. I have family across the globe, including the United States, United Kingdom, Canada, Africa, the Caribbean, and South America. I wish to thank all those who have supported, mentored and influenced the production of this book. First and foremost, I thank the living GOD for providing me with health and strength and good parents who showed me the value of investments and hard work. My life's journey has been filled with personal and professional success and failure. I am truly thankful for all my experiences, for they give me the confidence to share my knowledge with you. This book is written if you have experience with crypto assets/currencies or if this is the first time you have discovered this opportunity. Full disclosure, I believe that everyone should aim to hold Bitcoin (*at least 1 million Satoshi's* – more on this later!) for the long term (5-10 years+), much more detail on this later.

Bitcoin is as an apex asset like a Picasso because, indeed, this opportunity should be considered priceless. I'm blessed to be known as the "Black Picasso" and must recognize founder Queen Cazel Levine and Quinn Richardson for their support for thousands who seek a safe environment to learn how to invest. (Stocks, options, futures, crypto) Their Trade All Day Family on the Club House has supported my effort to introduce everyone to the crypto universe. I love to teach others about these precious assets. This is a work of love, and I encourage you to invest time to study the evolving body of knowledge. The famous Pablo Picasso piece is shown here, "The Guitar" is a fascinating work to study. Consider that in 1912 critics pondered the question of whether this was a painting or a work of sculpture? This kind of clarifying question can be asked when learning about any crypto currencies and/or assets. Please enjoy my book and give me feedback on subjects that I can include in future

FIGURE 1-PABLO PICASSO - THE GUITAR, 1912, PUBLIC DOMAIN

versions. You cannot choose your parents, but you can choose to invest in your future. My prayer is that every member of my community (Yes, you!) will buy and collect one of these precious crypto Picasso’s on your wall. Blessings to you and yours in your transformational journey to build your wealth and establish a strong legacy for generations to come!

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ACKNOWLEDGMENTS

First, I must give thanks and glory to God for whom all blessings flow. I have been blessed with a mother who supported me through it all; we are thankful that you made it through the pandemic and challenges of the summer of 2021. My mom taught me the value of servant leadership and service. Also, without the example of my father, who showed me tough love and a stellar example, the power of good choices and hard work, Rest in Power and Peace, Daddy. I will not attempt to list all my family or loved ones because this could fill many pages. However, I had to add a final note before publishing this manuscript to recognize and celebrate the life of Colin Powell. (1937-2021 RIP) This outstanding member of our family influenced me to see no limits in my first-generation journey. Further, he inspired me to begin my undergraduate studies at CUNY and was the reason I began my graduate studies with an MBA before completing my Ph.D. coursework. More importantly, he was kind in his communications to me, which grounded him in my eyes as a living legend, and the American dream which began from our shared Jamaican and African family lineage.

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Bitcoin Haiku

By Hopeton Smalling

aka – The Black Picasso

Hope Picasso Negro

Bitcoin, the apex asset

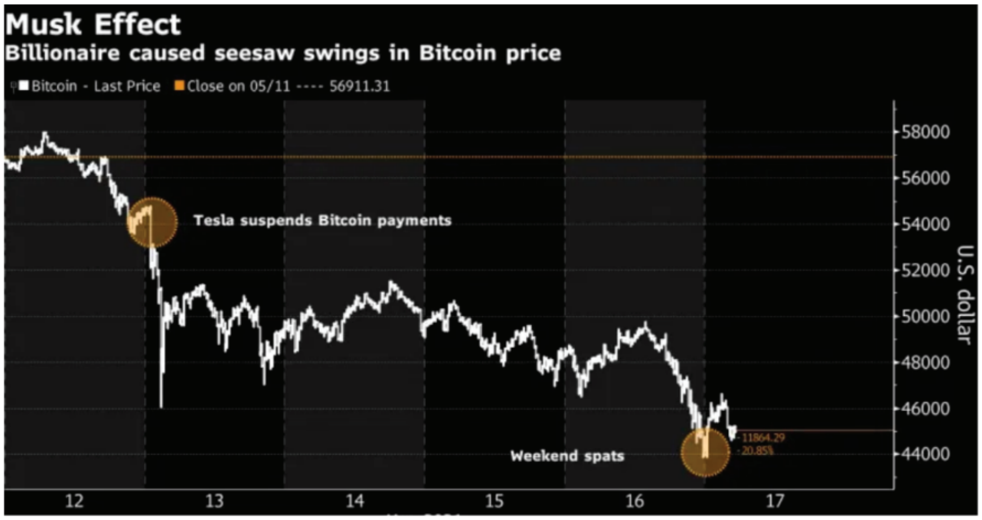
Don't buy beer, HOLDR

Chapter One

Bitcoin - A history

“Be fearful when others are greedy, and greedy when others are fearful.” Warren Buffett

The world’s most successful and well-known cryptocurrency, Bitcoin (BTC), was born out of the ashes of the subprime mortgage crisis of 2007-2010. Centralized banks caused one of the worst financial disasters in history, resulting in over 3 million foreclosures in 2008. This global economic crisis threatened financial markets and resulted in a significant loss of consumer trust. In 2008, a paper entitled “Bitcoin: A Peer-to-Peer Electronic Cash System” published by the mysterious Satoshi Nakamoto cast a vision of the future and synthesized similar attempts to create a decentralized currency over the prior three decades. Amid the global pandemic of 2020/2021, Macroeconomic forces have created renewed demand for improved, deflationary, safe harbor assets which can serve confidently as a store of value, the solution is Bitcoin (digital gold/BTC) or other precious assets such as Gold (AU). Institutional investment and continued global adoption have significantly increased. For example, Cathie Wood, CEO of ARK Invest is one of the largest exchange-traded funds (ETF), predicted that inflationary forces may drive the price of BTC to over $500,000 per coin in coming years. On February 8th, 2021, Tesla, led by Elon Musk, announced that it had acquired $1.5 Billion Dollars of Bitcoin, one of the largest single institutional transactions in the history of BTC. By May 12th, 2021, Elon published a conflicting position; he stated, "Tesla has suspended vehicle purchases using Bitcoin. “We are concerned about rapidly increasing use of fossil fuels for Bitcoin mining and transactions, especially coal, which has the worst emissions of any fuel…" This over statement only applies to approximately 24% of all Bitcoin miners. Elon Musk was chastised by many institutional investors for promoting “fear, uncertainty, and doubt” (FUD) and posted on May 24th the following statement “…Spoke with North American Bitcoin miners. They committed to publish current & planned renewable usage & to ask miners



worldwide to do so. Potentially promising."
This Chart illustrates how Fear, Uncertainty, and Doubt (FUD) impacts the current price of Bitcoin or any asset. This short-term correction has not derailed the trajectory of Bitcoin. Inflationary forces continue to drive increased confidence in Bitcoin, reinforced by the significant and consistent acquisition of BTC by Countries across the globe, private equity, federally charted banks, and leading institutions. You may ask, does this investment of cash (fiat) into BTC make sound financial sense? Numbers do not lie! Over the past decade, Bitcoin has provided investors with over 200% return per year, outperforming other asset classes, including the S&P 500, Gold (AU), and other institutional-grade assets. To be clear, here is a chart I created to compare these assets:

	Bitcoin (BTC)	S&P 500	Gold (AU)
During the past 7 years (2014-2021)	251%	0.79%	7.36%
During pandemic (2020)	391%	-33%	24.43%

In Spring 2021, BTC was valued at $57,000 USD/BTC with a current market cap of $1.1 trillion dollars with daily trading volume upwards of $74 billion dollars with almost 76% buying BTC with a typical hold time of 63 days. (1st 2021 ATH $64,805 reached 4/14/21). The price retraced to approximately $39,000 with a decreased market cap of $734 billion with a daily volume of approximately $50 billion dollars with 61% holding with a typical holding time of 55 days. This correction should not cause any great concern. On the one hand, you may review this decreased market position and believe that professional investors would express concern about the future of Bitcoin. Nothing is further from the truth; consider the positions of these well-known Bitcoin investors:

Robert Kiyosaki author of Rich Dad, Poor Dad, predicts “Bitcoin's Price to Surpass $1 Million in 5 Years.” He accurately predicted in December last year that the price of the cryptocurrency would reach $50,000 in 2021. He shared excitement to see the price correction and stated he would acquire more BTC when the price dropped. This expressed strategy is used by this financial trail blazer who uses real estate for income, spends Silver, and holds Gold and Bitcoin as investment assets.

Many will review Kiyosaki’s strategy and believe:

- I don’t have large amounts to invest
- I’m too late to take advantage of the bull run
- I am a novice investor and never invested in cryptocurrency

None of the reasons are valid and will be explained throughout this book. Complete all chapters and use them as references as you need them. My goal when writing was to provide a comprehensive review of crypto assets and, more importantly, cryptocurrency investment. The best practices shared in this volume will help to get you off zero. Just remember the following four points:

- You will not need large amounts of money
    - One Bitcoin is broken down into Satoshi’s, be sure to dollar cost average and hold as many as possible. (Plan to buy and hold at least 1-5 million Satoshi’s)
- It is very early in the evolution of crypto
    - Cryptocurrency is growing faster than the internet
- Only 21 million Bitcoins (BTC) will ever exist
    - Can you imagine what the price will be when all coins have been minted?
- Complete this book and understand why many will trick you into selling your Bitcoin.

- Don’t buy beer or anything else with this precious asset
- This book will help you learn how to safely hold cryptocurrency and prepare for this journey to freedom

Let me be your resource as you learn and grow your knowledge, confidence, and skill. Furthermore, I understand why new investors are unclear why anyone would hold crypto as savings. Remember the words of Warren Buffet, who stated, “Be greedy when others are fearful.” To be clear, Warren Buffet does not invest in crypto assets. He refers to Bitcoin as “rat poison squared.” I fully agree with this statement, not for the same reason as Mr. Buffet, but because of the risk due to hackers and other people with nefarious intent. As we have seen in recent years, there are many organized hackers worldwide. Don’t worry; I will provide full guidance and illustrate how to safely perform private banking with safe and trusted online resources when you join the online community. Please take the time to review this entire guide and do your own due diligence before investing. Use this book as a reference to understand and take guided actions on a regular basis. Make no mistake, taking action to acquire crypto assets like Bitcoin is a great first step to building wealth. However, retail, and institutional investors must fully understand the risks and best practices to acquiring and securing this digital asset. I have helped thousands of investors to get off zero and confidently build their wealth.

Micro/Macro factors

From an economic perspective, it’s essential to understand micro and macro factors to analyze and manage any asset properly. Analysis at a micro level provides clarity of the benefits for individuals, households, and firms. What is the benefit for everyday people? The key benefit is that Bitcoin allows everyone in my community to make up time.

- Consider that you only live once
- The length of your working life
- Life expectancy is only around 77 years
- Fiat currency is inflationary, and Bitcoin is deflationary.
- CEO pay: 1965 $951,000; 2021 $24 million = +2423%
- Workers pay: 1965 $43,200; 2021 $61,200 = +42%
- The poor and middle class have lost generations of wealth; the rich have generations of wealth

Time is one of the key variables to measure potential impact. For example, if your family were able to gain the benefit of 200% appreciation over the past 10 years, it would improve your portfolio performance.

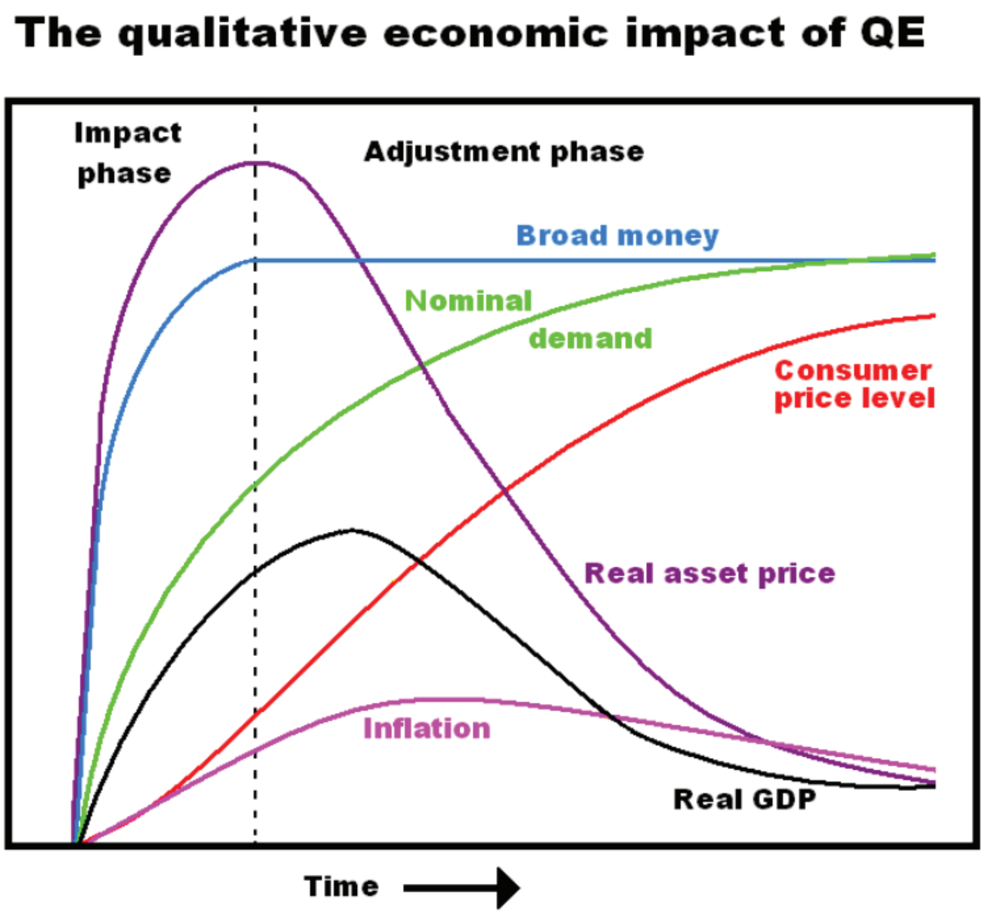
(This table illustrates the clear benefit considering average Bitcoin appreciation for less than a year with minimal and consistent investment)

	10 months	200% growth	total profit
$50 / wk.	$ 2,400	$ 4,485	$ 6,885
$100 / wk.	$ 4,800	$ 8,971	$ 13,771
$1,000 / wk.	$ 48,000	$ 89,714	$ 137,714

I recommend that all individuals, households, and firms should make it a priority to seek high-performing assets that are largely uncorrelated to other types of investments. This is a key reason why it makes sense to ignore the short-term volatility and plan for the long term. Remember “Be greedy,” but also be careful; this is a Picasso and needs to be protected and held with its priceless value in mind. (More on this point later)

To understand Bitcoin from the macro lens, it may prove valuable to understand a bit of monetary policy. Don’t worry; this is not a chapter from your high school or college economics course. I will break this down. The key point to understand is that the macro lens is the big picture, and this is not the earthquake but the effects of the latent tsunami. For example, consideration of the national economy or GDP of a country, continent, or region can provide insightful comparative data to help an analyst understand trends. (Refer to the CIA world factbook for actual economic data) Compared to the micro perspective of an individual, household, or firm, the macro view provides insight into policies and their net effect on people, communities, and businesses. Consider that a tsunami is a series of waves in a water body caused by the displacement of a large volume of water caused by earthquakes or volcanic activity. The waves can be compared to the effects of Bitcoin growth and the volcanic activity compared to institutional adoption and creation of regulated pooled assets. Bitcoin is a solution that has garnered well-deserved worldwide attention. Small nations, innovative institutional vanguards, and savvy retail investors have an increasing interest in holding Bitcoin long-term. (HOLDR)

The global COVID-19 pandemic has caused economies around the world to inject cash into their economies. You have heard about this before and may have asked, “So What?” It is true that real people like you and I needed help, and I believe that the poor have suffered tremendously during this time. When a country injects money into its economies, this action can be referred to as “Quantitative easing” (QE), which is a monetary policy executed by a central bank that buys financial assets to perform this action. In the years 2020 and 2021, Quantitative easing has been completed worldwide by all central banks where possible to address the devastation of the global financial crisis of 2007–08 and recently in response to

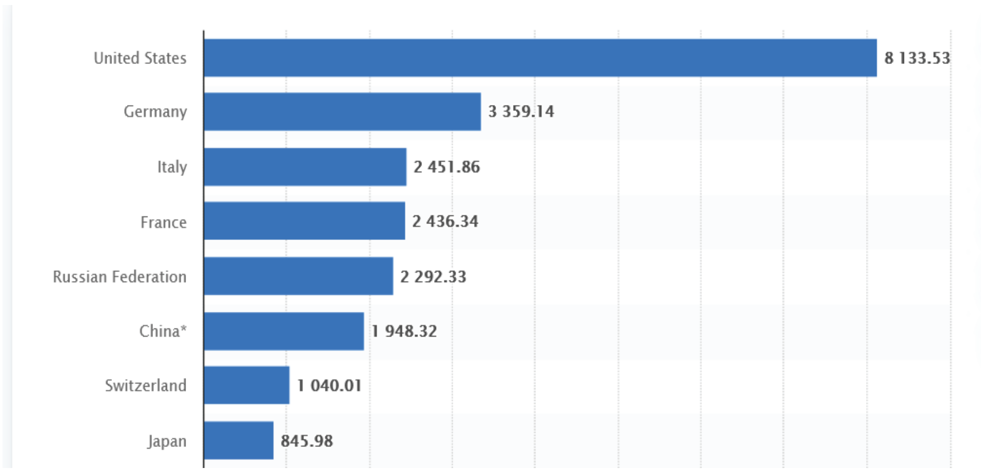


the COVID-19 pandemic. As illustrated by the chart above, QE provides immediate impact, but inflation and consumer prices can rise over time. This is the key point and the macro reason that why Bitcoin can solve this problem. Consider that Bitcoin is uncorrelated to other assets while providing high returns as calculated over the last ten years. BTC is therefore deflationary and provides protection if prices are going up over time. This digital asset provides a solution for individuals, households, and firms to hedge against inflation. This is the reason traditionally investment hedges included the acquisition of assets, real estate, Gold (AU), and now Bitcoin. An examination of Bitcoin utilizing modern portfolio theory continues to justify why there is “A Wall of Money” being placed into Bitcoin. The is a simple formula that has promoted the worldwide adoption of Bitcoin. Specifically, this strategy has provided a green light for portfolio managers to select and acquire assets that provide high returns and are largely uncorrelated to other safe-harbor assets. So What? Well, consider that Bitcoin presents a stress-tested store of wealth along with deflationary benefits when held by individuals, households, and firms. This illustrated value is a solution to the major economic problem faced by everyone. Bitcoin provides proven protection when acquired and held as a deflationary asset.

Let’s expand our macro lens to clarify why Bitcoin is not a replacement for the US Dollar, British Pound, Euro, or any fiat currency. Is there benefit for a country to utilize Bitcoin as a currency? In short, I believe that Bitcoin has many use cases, however, as an asset, if it solves real problems but is used as a daily currency, it will present real challenges. This is the reason for the title of this book!

Spring 2021, I was shocked when listening to young entrepreneurs on Clubhouse presenting their plans to invite thousands to pay for entrance to beach parties with Bitcoin. I was shocked and immediately challenged this ridiculous flawed strategy. I remember that they responded to my disgust with the statement, “everyone needs to eat.” No one should make the mistake of selling their assets (gold, real-estate, or Bitcoin) for temporary wants! In sum, what was being proposed would steal potential generational wealth for a couple of hours of beer and music! God forbid that anyone makes this tragic error and steal wealth from the ignorant. If anyone tells you to sell your precious assets and buy beer, tell them you are holding for the long-term benefit and not selling! This is the philosophy that will allow my community to build wealth and makeup time. However, there is confusion worldwide about the proper use of Bitcoin.

Let’s consider US monetary history and the move away from the gold standard. In March 1933, President Roosevelt declared a nationwide moratorium and ordered banks, not to payout gold. This was done to prevent a run on the banks by consumers lacking confidence in the American economy. Utilizing “executive order 6102,” the US government restricted citizens from owning gold. Yes, there was a period where citizens were prevented from owning gold: "forbidding the hoarding of gold coin, gold bullion, and gold certificates within the continental United States." The limitation on gold ownership in the United States was repealed by President Gerald Ford, who signed a bill legalizing private ownership of gold. codified in (Pub.L. 93–373, December 31, 1974.) On June 9th, 2021, El Salvador has become the first country to adopt bitcoin as legal tender. Lawmakers in the Central American country’s Congress voted by a “supermajority” in favor of the Bitcoin Law, receiving 62 out of 84 of the legislature’s vote. However, does this make sense? The Cato Institute in July 2020 considered the net effect of using Bitcoin to back currency and shared that “a small country on a



Bitcoin (digital gold) or gold standard would have dramatically volatile exchange rates against the rest of the world. A dollar standard, by contrast, eliminates exchange rate volatility against the world's dominant medium of international trade.” In layman’s terms, this means that there will be wild swings for the economy of El Salvador. I believe that the United States will take a stronger stand to support the freedom, liberty, and deflationary impact of Bitcoin, but for now, it’s up to individuals, households, and firms to do so.

Consider that the United States holds the largest reserves of gold bullion, currently worth almost half a trillion dollars. This reserve asset is just a sample of the assets held in trust by leading nations. There is no way to know the future but consider that “De-dollarization” is part of the policy that many competing foreign nations have adopted. This move from the US dollar is a way to insulate the effect of sanctions. Bitcoin may be the solution these nations will use to decentralize their economies. Imagine moving from a world that is flat and globalized back to a disconnected model. Currently, the invisible hands of freedom are expanding the presence of Bitcoin across many nations. I fear that foreign nations may leverage the economic advantage of crypto assets/currencies and re-shuffle the global landscape. Macro pressures in a post-COVID-19 are accelerating the adoption and fast growth of deflationary investment-grade assets.

It has become a global phenomenon known by most people but understood by some. It could be challenging to find major banks, accounting firms, software companies, or government that hasn’t researched cryptocurrency or started a blockchain project beyond the press releases' uproar. Many people often fail to understand the basic concepts behind the invention of the Blockchain. The merit of Bitcoin is not just to create coins, trade, and generate profits. The vital role of Bitcoin is the ability for individuals, households, and firms to finally have true decentralization and build wealth. “While governments in other countries have built real-time payments systems, the United States has relied on our innovation sector to deliver real-time payments technologies. Some of those technologies are built and managed by bank consortia, and some are based on independent node verification networks such as blockchains,” said Acting Comptroller of the Currency Brian P. Brooks.

How does Bitcoin work?

As most of the money these days, bitcoin is also digital. This implies that there is nothing physical that you can touch. There are not any actual coins. To own a bitcoin is the ultimate form of property. This ownership implies that you own the right to access a particular Bitcoin address record within the blockchain ledger, and you will be able to send funds from it to a different address. The basic unit of Bitcoin is referred to as a Satoshi, named for its creator Satoshi Nakamoto the pseudonym for the individual or team who penned the original Bitcoin whitepaper. Each Bitcoin is equal to 100 million Satoshi’s, representing roughly 0.00000001 BTC.

For the first time after the existence of digital currency, we have an alternative to the current centralized system. Bitcoin is a form of currency that no government or bank can control or limit its usage. The root problem with conventional currency is that trust has been lost, especially with banks. The central bank must be trusted to serve as good stewards to consumers. Additionally, the history of fiat currencies within the United States has been based on “dollar hegemony,” which rests this trust on the reputation and war power of our nation since the dollar was removed from the gold standard after the collapse of Bretton Woods. Banks should be fiduciaries, which means they act in the best interest of individuals, households, and firms, but as proven by history, this has been a failure. Bitcoin and the blockchain transparent architecture are the solutions to this problem.

Current financial and legal systems are not designed with transparent technology like this in mind. Financial institutions are built on archaic models that seem to limit the freedom and financial liberty of individuals, households, and firms. For example, banking transactions such as savings and loan products are designed in the banks' interest. There is nothing wrong with the notion that banks should be profit centers, however, the subprime disaster proved that banks in their current form had major problems. The Bitcoin ecosystem solves these problems and rewards holders with freedom and liberty.

In 2014, the Internal Revenue Service (IRS) published IRS Notice 2014-21, IRB 2014-16, which clearly defined Bitcoin as an asset in the hand of a taxpayer. Amendment XIV, Section 1 of the constitution reads, “*No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.*” I repeat now that this is not financial advice, but Bitcoin is a perfect form of property.

- **Fungible**: One unit is identical to another unit.
  This is a key characteristic that allows BTC to be accepted worldwide.
- **Divisible**: Can be divided into smaller units of value. The major concern by individuals is a concern about price, by dollar-cost averaging, and “stacking Satoshi’s” in units 100 millionth of a BTC.

Acceptable: Widely accepted as a medium of exchange.
BTC can be utilized as a tradable asset in every country in the world. This is safely transferrable from “hot wallet” to “cold wallet” and back again. (More on this process later)

- **Limited Supply**: Supply is capped and constant.
  There will only be 21 million BTC’s ever minted. This scarcity has built a perfect form of property. When there is concern about price, compare today’s price of BTC to early 1900 mid-town Manhattan real-estate.
  Did you know that the island of Manhattan, whose current land value is estimated at $1.4 trillion, was first purchased for $24? in 1910, the average price per square foot of a Manhattan apartment was $8, and the average rent about $40 a month. This is still very early for Bitcoin!

- **Uniform**: All versions of the same denomination have the same value. A BTC is the same everywhere.
- **Portable**: Can be transported and exchanged. Bitcoin is an apex asset that can be transported securely using the private key. The actual code is not utilized but is translated when the user enters as little as a 12-word seed phrase.
- **Durable**: Can be reused without deterioration.
  Not only can BTC be used without loss, but it is also considered one of the hardest forms of payment. This is great for businesses on rare occasions who invite the ignorant to part with their property. Once BTC is released to another wallet address, then it cannot be returned.

Another example can be considered in the review of unstable or “third world” countries worldwide if and/or when there is a run on the banks. As demonstrated, when the United States pulled out of Afghanistan in Kabul, there was chaos and anarchy when all systems of commerce eroded. Bitcoin was a solution that was available in this difficult time. Imagine someone who took advantage of this perfect form of property to store value for their family and memorized their private keys/seed phrase. I challenge anyone to demonstrate that Gold or real estate is a better solution for those in Afghanistan. Generational wealth has now been turned over to the Taliban. Additionally, the United States wasted approximately one Trillion dollars on reconstruction and economic support, and the property was fully lost in days. This disruptive digital property is unlike similar types of digital assets or currency. In some ways, it is comparable to the payment systems and similar technology in the computing industry. Essentially, all technology has a similar baseline code that relies on transmitting and processing digital code 0’s and 1’s, providing only two dimensions of the input. If cryptocurrencies become the global norm for transactions, long-standing trading systems would need to be completely reformed to deal with it. For this reason, cryptocurrencies could possibly be the single most disruptive technology to the global financial and economic system in the history of man.

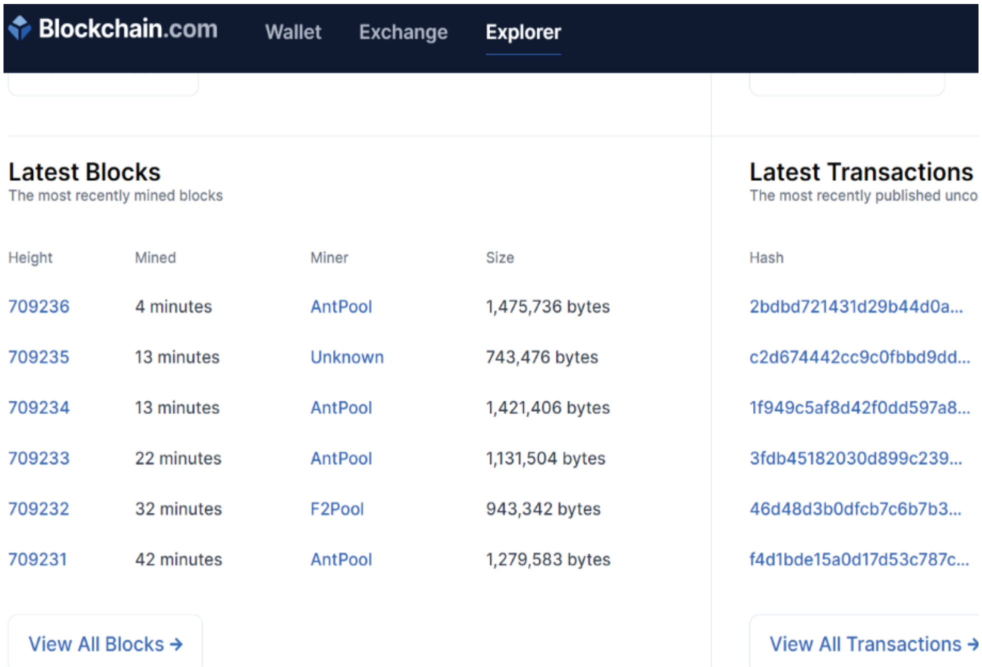
Bitcoin works because it was built on a solid ledger technology called the blockchain. This open and transparent record of all transactions is recorded on a decentralized network of nodes. A node is a single server that holds a complete history of all transactions that can be set up by anyone. Additionally, the algorithm that processes transactions and mints new coins is called Proof-of-work (PoW), a first-generation process that supports decentralized payments. This consensus process requires that members of a network solve a mathematical problem to assure a zero-knowledge confirmation of a transaction. The PoW algorithm is used widely in cryptocurrency mining for validating transactions and mining new coins. Consider a traditional centralized credit card payment that may have four parts: payment processor, card, merchant bank, and merchant. In a Bitcoin payment system, there is a payment processor who is a payment processor. This Bitcoin miner is paid in Bitcoin for processing a SHA256 algorithm and will record the solution on the blockchain. The card is represented by a public (card number), and private key/seed words (pin code) should never be shared. The private key from the Bitcoin blockchain requires a minimum of 12 seed words. Unlike the pin code used in a credit card transaction, a private key can restore full access to a Bitcoin wallet. I repeat the amazing fact that there is no bank in a Bitcoin transaction; the entire ecosystem is fully decentralized.

Bitcoin will only have 21 million coins which certainly creates scarcity and allows it to be an ideal store of value. This feature will make Bitcoin more valuable as more retail, and institutional investors hold this asset. The average holding time currently was 83 days, with 70% buying and 30% selling with a market cap of around $900 billion dollars, with 19 million coins in circulation. Imagine when all coins are mined, and institution holders hold this intangible asset on their books with unlimited value. I remember taking a trip with my father to his safety deposit box so that he could inspect his gold bullion. I didn’t realize the benefits as a child but recognized the appreciation from real estate and other precious assets. Can you try to predict the price of Bitcoin in 5, 10, or 15 years? No matter how the price evolves, it will be much higher than it is today. Have mercy!

- Institutional adoption is growing each quarter
- Retail acquisition of BTC is becoming easier
- Nation states are adopting Bitcoin as a currency
- The G20 is developing blockchain projects
- Sustainable mining is promoted worldwide

Making sense of Blockchain

Bitcoin and the Blockchain solves the Byzantine Generals Problem which is a game theory which describes the difficulty decentralized parties have in arriving at the truth. Bitcoin solves this by assuring transparency which democratizes data using the trustless Blockchain to assure consensus without relying on a trusted central party. In a network where no member can verify the identity of other members, without the blockchain as a central trustless ledger how would anyone collectively agree on the truth. Take a minute and look at a blockchain explorer as illustrated below you can scroll a bit down from the top where you selected which blockchain and see the latest blocks and transactions. Try to do this with any bank or credit card company which shields these transactions (for good reason) to protect us. The trustless system makes fraud or crime very difficult because these criminals do not want their activities easily tracked. One criminal after another is getting caught when their nefarious activities are linked through the blockchain.


Blockchain.com Wallet Exchange Explorer

Latest Blocks
The most recently mined blocks

Height	Mined	Miner	Size
709236	4 minutes	AntPool	1,475,736 bytes
709235	13 minutes	Unknown	743,476 bytes
709234	13 minutes	AntPool	1,421,406 bytes
709233	22 minutes	AntPool	1,131,504 bytes
709232	32 minutes	F2Pool	943,342 bytes
709231	42 minutes	AntPool	1,279,583 bytes

View All Blocks →

Latest Transactions
The most recently published unco

Hash
2bdbd721431d29b44d0a...
c2d674442cc9c0fbbd9dd...
1f949c5af8d42f0dd597a8...
3fdb45182030d899c239...
46d48d3b0dfcb7c6b7b3...
f4d1bde15a0d17d53c787c...

View All Transactions →

Bitcoin is completely decentralized, and there is not a single computer that holds the ledger. So What? Well, consider that no political power in the world can shut down Bitcoin. There have been efforts from various nations to shut down miners, as seen in China. Also, there have been laws created to make the use of Bitcoin illegal, as seen when Nigeria “prohibited banking services for crypto businesses.”

Regardless of the position of one country to legislate cryptocurrency, the decentralized global structure prevents anyone entity from taking over the processing of Bitcoin payments. Consider the fact that when processing power was reduced by the shutdown of mining centers in Xinjiang, Inner Mongolia, Qinghai, and Yunnan, the reward paid to all other miners worldwide was increased to provide incentive and avoid any delayed payments.

Furthermore, every node that participates in the validation architecture maintains a full copy of the ledger. The democratization of the Bitcoin ledger provides true freedom and liberty to all who trust this innovation. A transparent digital ledger that is impervious to the hacking of any kind is a technological and disruptive innovation is known as Blockchain. This infrastructure exists in parallel to other blockchains established for similar cryptocurrencies. For example, there are blockchains for Ethereum that allows the use of ERC20 tokens, and Cardano, which has ADA tokens. Don't worry about terminology at this point; just get familiar with the broad concepts.
To complete a transaction on the blockchain, it needs to be signed. The steps for someone to send you a transaction are:

- You begin a transaction that is encrypted using a public key. The transaction can only be decrypted by using your secure private key.

- Any transaction can be signed using the private key to prove that the transaction hasn't been altered. A digital signature is generated with the combination of the private key and transaction-level data

- The transaction should be verified as authentic using the accompanying public key.

- You digitally sign a transaction to prove you’re the owner. I recommend running your own Node to check and authenticate transactions automatically. Unauthenticated transactions are rejected. Most importantly, you must understand that mined transactions on the blockchain are irreversible. Bitcoin is a hard currency that is great for businesses but should only be utilized as payment when you know your customer (KYC). This fundamental practice will ensure that you remain safe. I recommend utilizing the FINRA database as part of your compliance program.

    - https://ofac.finra.org/#/

If someone wants to shut down the system or hack the ledger, they will have to shut down thousands of nodes that run independently and are synchronized simultaneously. Think about the time before the internet, how centralized the flow of information was. In school, there were teachers who were the holders of information. College professors were seen as oracles and would refer to closed collections of research materials. Basically, if you wanted information, there were primary sources like the New York Times, The Washington Post, and research periodicals. Today, thanks to the Internet. Information is decentralized, and you can communicate and consume knowledge from around the world with the click of a button.

With the current state of telecommunication technologies, it is becoming harder to communicate on the internet without leaving traces or disclosing information to centralized third parties, which could be governmental agencies or private companies. The trend towards the growing centralization of online platforms has significant privacy implications. These unifying network points constitute a single point of failure, and they also qualify as a valuable source of data that might fall prey to hackers. Yet, decentralized systems are much more challenging to implement than centralized platforms. To allow for effective coordination amongst a distributed network of peers, decentralized architecture generally relies on disclosing everyone’s interactions. Hence, if the price of centralization is trust, decentralization comes at the price of transparency. Let's talk about the relation of Bitcoin with other traditional financial asset markets. We can conclude that it has high returns, high volatility, and weak correlations with other assets. Bitcoin has many similarities with gold, and that USD could be used as a hedge. Bitcoin has the capability to act as a Hedging asset and a safe haven. If Bitcoin did not hedge effectively, it could be used for diversification. Analyzing different cryptocurrencies with other assets indicates that cryptocurrencies provide a diversified advantage for investors with short investment horizons.

Let this, and subsequent chapters prepare you to invest. This is true if you are an individual, planning for your household, or have a small business. Here are key points to consider:

1. Bitcoin is an apex asset and the ultimate form of property. This decentralized asset works on blockchain technology which is transparent and backed by the highest level of encryption. Not even super computers can crack this hardened security cryptography.

2. As defined by the IRS, Bitcoin is an asset exactly like real estate and gold. Care should be taken to understand tax implications for capital gains before selling or trading.

3. Private keys/Seed words must be protected and treated as confidential.

4. Bitcoin should be held long-term and work to owners' benefit as an asset. Bitcoin can function as a currency but should not be used for everyday wants. This asset should be traded with a similar strategy to gold or real-estate, not to buy beer or party!