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CSBS;

Coin Corporation Ltd., trade name CoinCorp. is a UK company involved in financial services registered to do business in Canada.

We just received a receipt from the State of Delaware regarding our Corporate Incorporation. We have a patent application (patent pending CA2845648) for a payment system, we are trademarked in the UK and hold a unique hallmark from Goldsmiths' Company of London. Goldsmiths’ Company guidelines state the hallmark must be the initials of the designer or company, we received the hallmark MMCXL representing the year 2140 in Roman Numerals. This hallmark will be used on our wares manufactured to hold Bitcoin value via registration services such as the not-for-profit International Bitcoin Register/Register de Bitcoin International. The owners of CoinCorp are also partners in this not-for-profit. The hallmark is also trademarked in Canada.

We are now expanding into IoT (Internet of Things) technology and will be designing and manufacturing electronic devices for civil infrastructure and home use. Our company has an interest in auction and dealer markets and the development of an employment market for companies, as well as publicly traded companies. We also have an interest in the lending of Bitcoin.

We are presently lobbying the Crown of England, and having contacted King Abdullah Economic City, Saudi Arabia. We are exploring the idea of setting the price of an international e-currency at the consumer price index (CPI) level equal to human rights basic needs (the amortized costs of food, shelter, clothing, education, health care, personal care, essential furnishings, transportation and communication, laundry, home insurance, other insurances, and miscellaneous basic utilities) supported at the exchange by the Crown in the market.

The rise of decentralized e-currencies have created a unregulated de facto international currency. The e-currency can be removed from the electronic network by
indexing a reference number or printing a code on a physical item that can then be transferred and then using the reference returned to the digital realm. Several companies have developed this idea ultimately creating a form of money order or travelers check. To ensure the public is protected against schemes to launder money and to prevent large unregulated transfers the companies that issue and exchange these instruments may need to be registered money transference businesses following strict guidelines and who report to agencies such as FinCen (Financial Crimes Enforcement Network). This is the practice presently followed in Canada - cost free registration with FINTRAC (Financial Transactions and Reports Analysis Centre of Canada) then permits banking and the transference of e-currency.

The advent of the blockchain, the public ledger that allows for the secure transference of numerical data has brought with it the possibilities of a new economy and market system. The New York Stock Exchange was created by agreement of twenty four brokers under a buttonwood tree on Wall Street in New York in 1792 as an auction market to raise capital for businesses. NASDAQ was founded in 1971 by the National Association of Securities Dealers as a dealers market and the first electronic stock market. The SEC (Securities and Exchange Commission) was created as an agency of the United States Government to regulate and enforce securities trading based on the Securities Act of 1934, this a result of the stock market crash of 1929. It is organized to prevent unscrupulous brokers from taking advantage of the public.

It is now possible for decentralized auction and dealer markets to be created using a blockchain, the secure single use numerical data transference system that creates e-currency based on Satoshi Nakamoto’s paper and the resulting code. This possibility will allow the public to invest and grow their savings in the markets and for ideas such as those we see on crowd-fund sites to more easily find initial equity investment. The possibility of the decentralization of the market is not under regulation of the SEC since e-currency does not become legal tender (fiat) until it is exchanged into the nation's currency.

Under SEC regulations investors must use a broker who enters the market at substantial cost to perform the trades. An investor must be sophisticated according to the regulations, meaning they must understand the prospectus provided by the broker as well as qualify. One million in assets or two hundred to three hundred thousand dollars in household income per year is the minimum level of qualification. Online services such as ScottTrade may be used to invest. These online brokers, who hold the same standard, then go to the NYSE, and NASDAQ exchanges mainly. Mutual funds and IRA’s are available to the public through banks, and investment advisors, these funds sell portions of portfolios to investors for fees. This structure purposely spreads the risk although it does not allow investors the freedom to support specific companies. E-currency does allow for decentralized investment markets and greater freedom for investors who have lower incomes.

It should be noted recently in Texas a bitcoin entrepreneur was convicted of fraud for operating a ponzi scheme. He was reportedly paying investors in Bitcoin with other people’s money although it was the loss of dollars that created the fraud opposed to the loss of the electronic currency.

E-currency and the market possibilities it creates also allows for the possibility of a true employment market. When an individual is prepared to enter the workforce they may receive a loan of e-currency, then going to an electronic market where employment
positions are traded use investitures they have earned (degrees, certificates, awards, experience, etc.) and find a suitable position in one of the many companies listed and to pay back the loan.

Business may then structure themselves using a model that grows based on human resources. The number of employees able to work under their employment allows for more productivity, greater economy of scale, and lower costs. To retain the employees there will be more of a focus on workplace culture, therefore management ensures the business is a “great place to work” as it is called according to the Great Places to Work institute who produces Forbes great places to work list.

This future employment exchange is as of yet unregulated since any regulatory issues have not been raised and will therefore only be subject to the regulation imposed on e-currency.

Another area of relevance is payment systems. Payment systems that allow for Bitcoin are not yet popular since transactions are conducted using the system software and e-wallets. These e-wallet providers may be considered payment systems providers. The Canadian Payments Association (CPA) provided the following guidance regarding membership, “currently the applicable legislation limits the CPA membership to only regulated institutions, with appropriate oversight and access to emergency liquidity through the Bank of Canada,” this excludes Bitcoin payment systems and the companies that operate them since they are not financial entities according to the law, e-currency exchanges are not associated with payment, clearing and settlement matters either since their business do not hold, or lend, legal tender for customers.

The CPA has in place a Stakeholder Advisory Council created in 1996 and formalized and enshrined in the Canadian Payments Act (2001) to advise the Minister of Finance regarding such issues. Regulation as it presently is allows for registered money services businesses (MSB’s) to use banks to clear the e-currency debt payments in association with the e-currency exchanges. In the United States of America payment clearances falls under the jurisdiction of the Federal Reserve, in the United Kingdom it is the FAC (Financial Conduct Authority) who regulates the industry in concert with the Bank of England although not specifically and only relating to settlement clearing.

It is not clear if business operators must be registered MSB’s to accept e-currency such as Bitcoin, although since to transfer e-currency a business must be a registered MSB it is logical to assume they should use the services of a payment systems operator who is a registered MSB and who may provide the additional benefit of accounting and inventory software to the business. It should again be noted this is separate from the oversight of the CPA in Canada who are not mandated to provide oversight outside of financial institutions, the settlement of debt by businesses is conducted as a part of everyday commerce, often involving financial institutions although not always.

The main issue e-currency confronts is one of freedom. Electronic payments is quickly becoming the preferred method. Recently it was announced Denmark is a cashless society and the central bank has stopped producing money. It has always been that consumers may spend freely and it has always been the concern of authorities to oversee how money is earned. This monitoring of how money is earned is the foundation of the financial system starting with the collection of taxes, then continuing to accounting for the value added to products produced in the nation and ultimately culminating in the nations gross domestic product (GDP)and the printing of money. The GDP is a main
factor in the cost of the money in the system since high productivity creates greater reserves.

The monitoring of spending is controversial. Too easily may a person use another's financial records to determine their habits. Using this information it is easy to influence a person and this influence then controls a persons decision making. This manipulation in-turn results in repression and even persecution since those in the position of higher authority may politically hobble another if their wishes are not adhered to. This is particularly dangerous when it is an anonymous authority using political influence to hamper another in a free society. There is no legislated counter surveillance in the free world for individuals, computers today are too easily hacked, computer programs and server based languages may too easily be reprogrammed through techniques such as jumping the stack. This may lead to easily discovering travel plans and financial records.

We are to trust our Governments yet without proper checks and balances people for the sake of personal gain within the system too often blur the lines. This is more pronounced in the private sector. Here also, rumors and the attitude of authorities scare people away from relationships more quickly than any other activity in business. If we are not careful the trend will be toward more social conservatism as people will feel they may not enjoy what they have earned in fear they may be persecuted based on perceived moral grounds. This is only an excuse since, for many, the game is to use power and influence not to be exposed for their indiscretions, while others are being persecuted by them simply for enjoying a concert or vacation away from the family. These activities are nobodies business and e-currency can insure our lives are protected as our own by retaining the anonymous nature physical money has always granted as we go about trade.

Regards,

Bryan Burns