



Emily Little and Cassandra Borchers

Bitcoin/Crypto-currencies

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Mike O'Sullivan introduced today's program. Our speakers were **Emily Little** and **Cassandra Borchers** from Thompson Hine LLP in Columbus and Cincinnati respectively.

Emily and Cassandra talked about Bitcoin – one of about eight hundred “crypto-currencies” in existence today. Bitcoin is the topic since it is the best known of these currencies and the most prevalent.

Bitcoin and other crypto-currencies are basically vehicles of value exchange between willing parties. Bitcoins are untethered from things of value. Further, Bitcoins are not associated with any government and have no intrinsic value. The crypto-currency is accepted on faith between the parties who hold the Bitcoins.

The system was originally created as a peer-to-peer cash payment system. There are currently 16 million bitcoins in circulation. Recently, a bitcoin was valued at \$3,398. The nature of the system yields great volatility in value.

While many people use bitcoins to effect transactions some people acquire them and hold them as investments. Bitcoins valued at \$100 in June 2010 would be valued at \$5.78 million in today's crypto-currency market.

Various countries have considered whether to recognize bitcoins as legal tender. To date only Japan has done so.

There are myriad regulatory issues and questions surrounding consideration of bitcoins as a

legitimate payment vehicle. In the United States, the SEC and the IRS are in the process of figuring out how to treat the crypto-currency. The IRS has decreed that bitcoins should be considered property for tax purposes.

New bitcoins enter the system through the efforts of “miners”. Miners create bitcoins by solving an extremely complex math problem. As I understand it, there is no money multiplier in the crypto-currency world. There is a finite number of bitcoins in existence at any given time which cannot be expanded.

Bitcoin holders have a public name /identifier and a private key. The holder of the bitcoin needs both of these items in order to complete any bitcoin transaction – be it a purchase or a sale of goods or services. The other party to any such transaction also needs a public identifier and a private key. The private key is deeply encrypted and cannot be recovered if the bitcoin holder loses it. If that occurs, the bitcoin is lost and not recoverable.

Since the bitcoin (and other crypto-currency) system is entirely digital there are no physical manifestations of a bitcoin. In addition, because the system is not part of the mainstream financial system there are no entities in the payment stream between the parties to a transaction. Thus, transaction over the digital network can often be completed in about ten seconds – with final settlement occurring within ten minutes on average.

Major financial institutions are looking into ways to exploit the underlying technology that bitcoin rests upon – known as block chain technology – to improve traditional payments processes.

Bitcoin is becoming popular with businesses in states which have legalized growing and using marijuana since the system bypasses the traditional banking network. Banks in those states are not willing to handle the business since anti-marijuana Federal laws and banking regulations prohibit dealing with marijuana operators at this time.

There are a number of online platforms available which enable the acquisition of bitcoins and the exchange of bitcoins for traditional currency.

GREETERS

August 15
Brian Close
Steve Federer

August 22
Allison Russo
Andy Schmidt

August 29
Wade Giffin
Bob Fenner

REGISTRATION DESK

August 15
John Hansel
John Cleland

August 22
Keith Schneider
Debbie Johnson

August 29
John Adams
John Hansel

CALENDAR

August 15 (Scioto CC)
Committee Reports
Host: Dave Dewey

August 22 (Scioto CC)
Shane Pyle
District 6690 Governor
Host: Dave Dewey

August 29 (Scioto CC)
Tim May
Buckeye Football Update
Hosts: Wayne Harer & John Krauss

VOLUNTEER OPPORTUNITIES

Submit your volunteer opportunity to herb@herbgillen.com for inclusion in the Rotaryview Newsletter.

SOCIAL EVENTS

Please submit your social event reminder to herb@herbgillen.com for inclusion in the Rotaryview Newsletter.

The Meeting

President **Dave Dewey** opened the meeting and asked **John Ness** to offer the Invocation and lead us in the Pledge of Allegiance.

Jim Hamilton introduced visiting Rotarian **Don Turner** from the Columbus club. **Jim Nicklaus** introduced his guest **Scott Cubberly**, Scott is also a Rotarian from Delaware, OH. **Paul Germain** introduced his guest. **Dick Stone** happily announced the return of **Dick Henry** who joined our meeting today. He also introduced Dick's grandson **Luke**.

Next week (August 15) the program will feature committee reports and plans for '17 - '18. On August 22 we will be joined by **District Governor Shane Pyle**. **Tim May** will be here on August 29.

Price Finley was congratulated on attaining Paul Harris Fellowship Plus 2 status. **John Ness** was recognized for obtaining Paul Harris Fellowship Plus 1 status.

Joe Valentino and **Jeanine Hummer** were recognized for joining the "125 Club" which includes members who have contributed at least \$100 to the Rotary Foundation plus \$25 designated for the Polio Plus campaign.

Dave shared a list of members whose photos are ten to fifteen years old and suggested that they see **Tanya Westerviller** after today's meeting to get updated photos taken. There were directory update forms available also.

Thanks to **Andy Schmidt** for hosting Interact international exchange students from UA and from Germany and France at Schmidt's in German Village.

Rotary International has established a relationship with Habitat for Humanity and there is word that a Columbus project which may include up to ten houses may be in the works. UA Rotary as well as other clubs will have an opportunity to become involved if it comes to fruition. More details will be shared as available.



YWCA FAMILY CENTER MEAL SERVICE - THURSDAY, AUGUST 31, 5:30 - 8:00 PM

Volunteers are needed to help serve meals at the YWCA Family Center, 900 Harvey Ct, Columbus 43219. Please contact **John Huneck** at JRHuneck@aep.com to register or get more information.

MEAL SERVING AT THE RONALD MCDONALD HOUSE - THURSDAY, SEPTEMBER 7, ARRIVE BY 5:00 PM – Please contact **Yvonne Perotti** at vnnperotti@gmail.com for more information.

ROTARY HAPPY HOUR – THURSDAY, AUGUST 17, GRANDVIEW CAFÉ

The new Rotary year's first social event is scheduled for Thursday, August 17. We'll gather at the newly remodeled Grandview Café. Details will be distributed soon.

Notes and Announcements

Anne Croskey requests that the following members to please bring in their badges...
Megan Horvath, John Zambito and Rob Mason.

August 21 is the date for the distribution of items for the Friends of the Homeless project. A collection box was available and will be at next week's meeting also.

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OUR NEXT MEETING... August 15 at Scioto Country Club. See you there!