A Layman's Guide to Cryptocurrencies & Bitcoin



Today

Explain Bitcoin by detailing, step-by-step, the hypothetical launch of a new cryptocurrency

MihaiCoin



- The Next Big Thing
- Promotional Slogan: “Wealth Without Work”
- Objective: Generate a small fortune for Vassar LLI; plus LLI participants



MihaiCoin: Overview

1.) All the attributes and uses of Bitcoin*

2.) Ownership of each coin managed by Blockchain

3.) Managed Scarcity

- ✓ A maximum of five million coins will be created
- ✓ Initial coins distributed to LLI participants (10,000 to each participant).
- ✓ New coins created ("minted") through "Proof of Work".

*But Not Proof of Work, as discussed later.



MihaiCoin: Overview

4.) Value Goal: $100,000 per coin in ten years

5.) A commodity: Not regulated by the SEC

6.) Election Contributions: To MihaiCoin friendly legislators

Understanding Blockchain

- Blockchain is a distributed, ledger technology, which can instantly track the ownership of things and other records.
- Blockchain facilitates the management of information (such as ship manifests, or cryptocurrency ownership)
  - ✓ Blockchain and cryptocurrencies are separate things.
  - ✓ As light is different from electricity which powers lightbulbs.



MihaiCoin: Value

- ✓ LLI participants hype MihaiCoin and sell small amounts (our hype machine).
- ✓ Soon Fidelity, E*Trade, Charles Schwab and crypto-only brokerages enable customers to buy and sell MihaiCoin
- ✓ An ecosystem of MihaiCoin-dedicated analysts, brokerages and other firms-evolves.
- ✓ Investor demand grows, and with managed scarcity, the price shoots up.





MihaiCoin & Brokerages

- MihaiCoin, like Bitcoin, will provide high profit margins for retail brokerages.
- Today, Fidelity charges 1% of the total value of each Bitcoin purchase and sale (or 2% for the investment experience).
- By contrast, Fidelity charges no commissions for stock transactions.

Fidelity INVESTMENTS



Value of MihaiCoin vs. Stocks

"What's the difference between Bitcoin and stocks: They both go up and down in value?"

- ✓ Equities have an intrinsic value: If I own 10% of the stock in a firm, I am entitled to 10% of the profits. Stock prices reflect expectations of future profits.

- ✓ By contrast, Bitcoin has no intrinsic value. It has no uses and generates no revenues. Its price depends entirely on what people will pay for it.



MihaiCoin: Uses

Bitcoin initially created as a Libertarian, digital global currency

Pre-Covid pandemic Bitcoin touted as a "Store of Value" that hedged against stock market declines

Now, Bitcoin promoted as an alternative asset class investment

Proof of Work



- **Bitcoin Mining:** New Bitcoins are created (minted) as ever more powerful computers in large data centers solve a complex code involving random results (the hashing process).

Proof of Work: Societal Impact



- **High energy use:** Estimates of the annual U.S. electricity consumption dedicated to Bitcoin mining range between .6% and 2.3%.
- **Global Warming:** Massive greenhouse gas emissions from energy use.
- **Added Environmental Impact:** Water use to cool computer systems and electronic waste from computer upgrades.
- The U.S. leads all nations in global share of Bitcoin mining (~ 35%).
- Bitcoin mining energy use now comparable to AI, but AI use expected to grow far faster.

Proof of Stake



- **Proof of Stake:** Etherium (after transition) and other crypto currencies create new coins through a mechanism that does not involve high energy use.
- Bitcoin was unable to abandon its energy intensive "Proof of Work" system for new coin creation (Bitcoin mining).

MihaiCoin: Value(2)

- Unlike stocks, Bitcoin and MihaiCoin have no intrinsic value.
- Central questions for potential investors: Over the long-term, will people value Bitcoin like gold?
- Or do prices reflect a mania/bubble/scam?

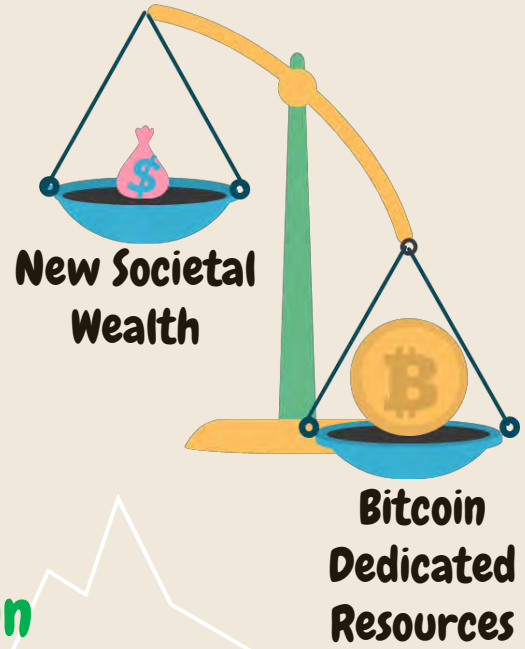
Crypto and Political Contributions

According to CNBC, the crypto industry and crypto investors spent $245 million in the 2024 election cycle.

- ✓ By far, more than any other sector or Elon Musk, and 50% of all corporate spending.
- ✓ Most crypto funded ads supported candidates without mentioning crypto or crypto connections.

Is Bitcoin "Corrupted Capitalism"?

- The idea of capitalism: People are rewarded for adding to societal wealth.
- Real societal wealth is anything you can use, eat or experience.
  - ✓ Not profits, which imperfectly measure wealth creation
- Are the enormous resources dedicated to Bitcoin mining and transactions outweighed by newly created, actual societal wealth?



More to Know...

Stable Coins



- Tokens designed to hold a steady or stable value.
- Typically backed 1-to-1 with assets, such as cash Treasury bills
- Purpose: Block-chain managed rapid transfer of money across borders, or park money between crypto trades. Instant transaction settlement.
- Issuer earns interest on funds, user does not.
- Not FDIC insured.
- Stable coin rules: Purpose of Genius Act passed by Congress.

President Trump and Crypto

Stable Coins

- ✓ World Liberty Financial (WLF) launched by President and his sons. Sold 49% to UAE royal for $500 million.
- ✓ A WLF stablecoin generates about $100M annually. Reported significant use by foreign entities.

"Classic" Coins

- ✓ WLFI coin net about $515M for Trump family in 2025.
- ✓ Alt Sigma deal: Turned a NASDAQ listed company into a holder of WLFI coin, net to Trump family $500M in 2025.
- ✓ Trump and Melania coins netted about $616M in 2025.

Stock Tokenization



- ✓ Crypto tokens that reflect the value of individual stocks (like ETF's).
- ✓ Pitch: Blockchain based information management facilitates faster or near instant settlement, 24/7 trading, and fractional share ownership.
- ✓ Ongoing debate whether benefits outweigh costs.

Disclaimer



Over the next year, fortunes will be lost and made, with investments in crypto currencies

MihaiCoin

"Wealth Without Work"



