



To Whom It May Concern,

I work part-time at Coinsetter, a Bitcoin start up in the financial services spaces here in New York, of which you may have heard of. I help build the "Wall-street" level, or as some customers call it "mucking", the exchange infrastructure at the firm. I'm also working on other side ventures related to the crypto-currencies space. I've watched your hearings and think it's one of the best put-together attempts from a government body so far to try and understand this "fledgeling" industry. You see, I even picked up on some of your other vocabulary, such as "narco-trafficking", "money laundering," and "guard rails." Oh that one's my favorite, will you just listen to it - "Guard Rails."

Anyways, the company I'm at part-time, Coinsetter has been picking up steam lately, and from a business perspective, I'm rather hopeful to see our trading volume growing. But, speaking from behalf of myself, the ongoing costs of operation, lack of activity in the US, our desire to play by the books, and the unlikeliness of an optimistic Bitcoin regulation proposal has me in flux because you were promising regulation that would protect consumers and enhance business practices, but instead they seem to be aimed at increasing the daily stress of entrepreneurs, potentially putting them out of business, defeating everything you and I have imagined and dreamed of. Of course, I could be wrong, and money could be pouring in from investors as they scream for "more regulation!"

I think your head's in the right place, arguable to some, but I also think you're going at this a bit too soon. I hear the clearing house CHIPS supposedly does 2-3\$ trillion dollars worth of USD transactions a day globally, but has no regulations whatsoever. Can you explain? What are the capital requirements? Bitcoin's whole market cap put together is under \$5 Billion, yet it seems you want to slap it with similar multi-trillion dollar industry behemoth worth of

regulations. Close, but no cigar. No way Jose. At least, as a professional US citizen and a real estate license holder but not practitioner, I'd instead recommend for you to consider offering restricted license status and/or stricter disclosure laws to warn consumers, i.e., "your money isn't insured", i.e., "we recommended you to seek out [non-existent] fully-licensed-with-capital Bitcoin companies", i.e., "you may consider keeping the fed notes". And if more people value companies with large capital then so be it- the others go out of business. At least can you please wait on the capital requirements, and/or make it optional for, say, the next hundred years?

On the positives, I do believe there should be clearly defined roles such as custodians of Bitcoin and operators of exchange accounts. Also, I agree with you that multi-signature/smart-contract transactions where companies don't act as custodian to funds and can't control their movement are not to be considered custodians since they're programmed to be used solely as a verify token, via merkle trees to prove solvency of funds.

Closing thoughts - on the one hand, you want to put up "guard rails" to protect the companies, but instead you seem to be turning them away and putting hard restrictions on them. Instead of maximizing the number of US players that can get involved in this industry, you're limiting them to a very few, and this alone - not wishing to maximize the number of participants - at its roots is not compatible nor possible with Bitcoin and I worry that you may seriously have a flawed understanding of how to help this industry achieve it's real value to society that you and I both have first in mind.

If you can help to issue regulation that works on maximizing the number of players that can and want to start a virtual currency business, I'm fully behind it and support you in every way. Good luck.

Sincerely,

George Urakhchin